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Discount Store News®

THE NEWSPAPER OF DISCOUNT RETAILING

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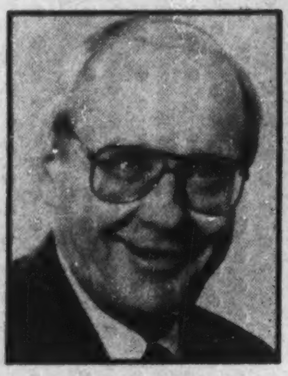
Ulrich to Chair Target; D-H Taps Allbright Prez


Allbright

Ulrich

MINNEAPOLIS — Bruce G. Allbright, who has been chairman and chief executive officer of Target Stores for the last five years, has been named president of Dayton Hudson Corp., Target's parent company.

Allbright, who will report to Kenneth A. Macke, chairman and ceo of Dayton Hudson, has also been elected a director by the corporation's board of directors.

Robert J. Ulrich, president and chief operating officer of Target, has been promoted to chairman and ceo of the giant discounter, succeeding Allbright. The two have also become members of the corporate operating committee.

These top executive moves at D-H come in the midst of an escalating takeover attempt by the Haft family, owners of Dart Group Corp., who have increased their acquisition offer for Dayton Hudson (see accompanying story).

Allbright succeeds Boake Sells, who resigned Sept. 23, just a few days after the Dart Group's initial offer. Sells reportedly will become chairman and ceo of Revco DS, a discount drug store chain based in Twinsburg, Ohio.

(Continued on page 184)

Hafts Raise D-H Bid to $6.3B; Spin-off Could Daunt Raider

LANDOVER, Md. — Dart Group Corp., based here, has upped the stakes by $300 million in its attempted takeover of Dayton Hudson Corp.—parent of discounter Target Stores—which rejected an earlier Dart offer.

Dart also said it is preparing to launch a proxy fight for control of the $9.3 billion Minneapolis-based retailer.

In a letter dated Sept. 29, the Haft family, owners of the Dart Group, offered $6.3 billion in cash for 98 percent of Dayton Hudson, slightly more than $68 per share.

Dart Group president Robert M. Haft told *DSN* he was "disappointed by their [D-H's] rejection" of the Hafts' earlier $6 billion, $65-per-share offer without discussion, especially since "we made it clear that all terms are negotiable."

Dayton Hudson, which has just named a new president (see accompanying story), has rejected this latest offer. Analysts speculate D-H could be forced to spin off one of its divisions—possibly the Target chain—to make the company a less attractive takeover candidate.

In a statement, Dayton Hudson management said an acquisition would "not be in the best interests of the corporation and its shareholders." The statement said those interests would be served best by "Dayton-Hudson remaining an independent company in its present form."

The Dart Group controls the Crown books and Trak Auto discount specialty chains and also has extensive real estate holdings.

One of D-H's many options to fight the takeover attempt, according to Glenn Johnson, analyst for Piper, Jaffray & Hopwood, a Minneapolis securities firm, is for D-H to do for Target what Zayre Corp. did for its highly successful T. J. Maxx off-price apparel chain: Spin it off as a public company, while retaining control.

(Continued on page 184)

Dayton Hudson Corp.

Minneapolis, Minn.
Chairman: Kenneth A. Macke
President: Bruce G. Allbright

Divisions	1986 sales (in mil.)	Operating Income (in mil.)
Target	$4,354.9	$311.0
Mervyn's	2,862.3	160.2
Dayton Hudson	1,566.3	165.3
Lechmere	475.6	19.5

Source: DSN research

Ames' Hollis Outlines Steps To Pinch Shrinkage Problem

By Peter Hisey

Hollis

ROCKY HILL, Conn. — Ames Department Stores, the 462-unit discounter based here, will add hundreds of security employees to its payroll, hire two anti-theft consultants and two public accounting firms, and continue its own investigation of distribution systems and employee honesty in an effort to stem the large inventory shrinkage losses of the past year, according to a report released on Sept. 30.

Ames president Peter Hollis, who in late September succeeded chairman Herbert Gilman as chief executive officer, outlined steps the company will take to reverse the losses (which may total over $30 million since last July) to analysts in New York late last month.

The findings of the company-sponsored investigation confirmed earlier reports that the losses were spread among various elements of the Ames operation, most noticeably in former Murphy Marts in urban locations like Pitts-

(Continued on page 184)

Telaction Launch Behind Schedule

Penney to Start In-Home Test

By Arthur Markowitz

SCHAUMBURG, Ill. — J.C. Penney expects to start in-home limited operational tests of Telaction, its interactive cable TV teleshopping service, some time this month in the Chicago area, months behind the rollout schedule company executives announced in February.

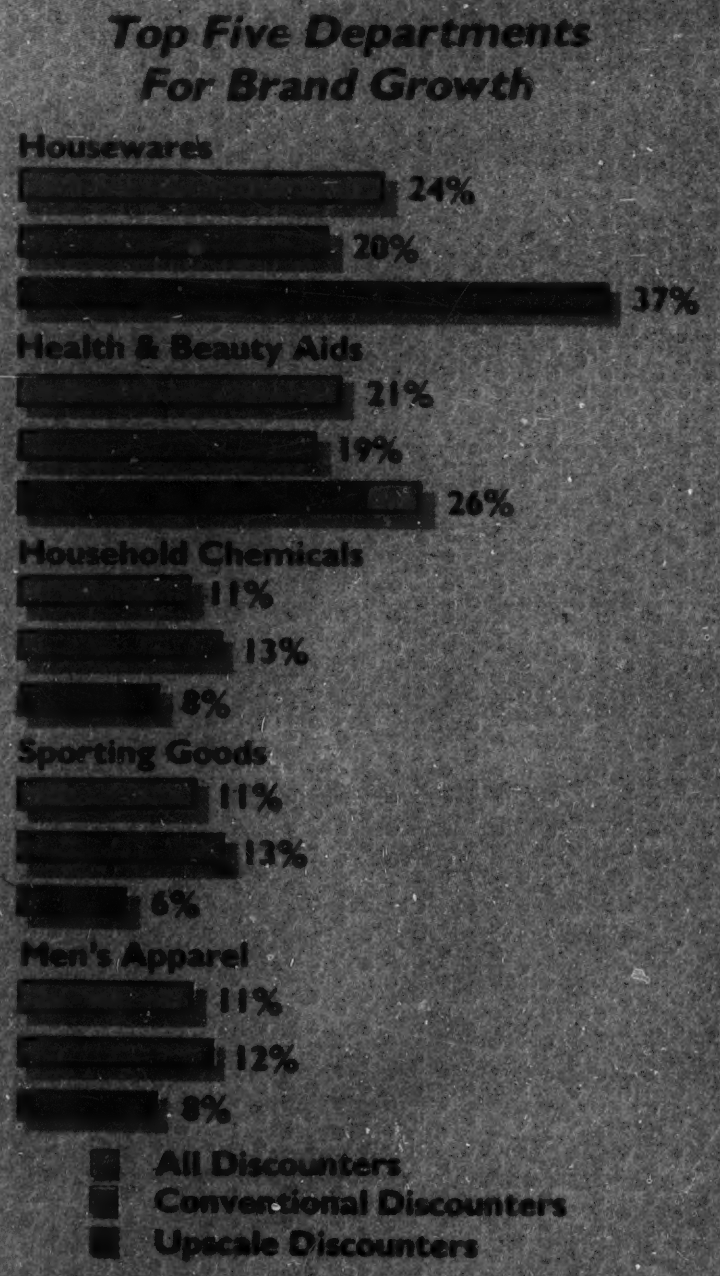
The complexity of the innovative technology used for the service—which uses software to meld cable TV, telephones, computers, laser video discs and tape players into a seamless system—is believed to be responsible for Telaction's delayed introduction.

"There weren't any major problems, just the day-to-day process of working out any glitchs," a company representative said.

The executive said that such specific aspects of its technology as the need for two cable channels and its version

(Continued on page 13)

Name Brands Grow at Discounters



Source: Discount Store News/Leo J. Shapiro & Assoc.

Nationwide DSN Report

National labels made their greatest inroads this year in housewares, health & beauty aids, household chemicals, sporting goods and men's apparel, according to a new nationally projectable survey of discount store managers.

DSN's Fifth Annual Top Brands Survey also revealed that discounting's most prominent brands maintained their dominance in most departments, but new product introductions and merchandising trends shuffled the lower half of the top 10 brands in several categories.

Asked to name their best performing brands in 17 categories, managers of conventional and upscale discount stores most often mentioned brands that were runaway favorites in previous years, but in general, those brands held slimmer leads in their departments this year.

A report that analyzes managers' perceptions of brands begins on page 37.

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A Lo

ker Tells Execs

Starts at the Top

Fifth Annual
Top Brands Survey

MARKETWATCH

Carrefour Delays American Store Debut

SECAUCUS, N.J. — Carrefour, the French hypermarket pioneer, has pushed back the debut of its first 330,000-square-foot American stores to 1988. The Philadelphia hypermarket, which was to open this month adjacent to the Franklin Mills shopping center, now won't be unveiled until January at the earliest because of construction delays. No date has been set for the opening of a unit in the Stonybrook Mills shopping center in the New York suburb of Brookhaven, Long Island. Residents there oppose the project and Carrefour is looking for another New York site while still pushing for the Brookhaven unit.

Wholesale Club Opens 4th in Cleveland

INDIANAPOLIS — The Wholesale Club will cap its four-store expansion program for 1987 by opening a membership warehouse later this month in Elyria/Lorain as its fourth in the Greater Cleveland market. That unit was the chain's 15th and was preceded by stores in Ft. Wayne and South Bend, Ind., its third and fourth in the Hoosier State, and in the Inver Grove Heights area of St. Paul as its fourth in the Greater Minneapolis/St. Paul market.

Allbright to Speak at PLMA Breakfast

NEW YORK — New Dayton Hudson president and former Target chairman Bruce Allbright will be the featured speaker at the Private Label Manufacturers Association's Salute to Excellence Award Breakfast. The breakfast will be held during the PLMA's 1987 Store Brands Supershow, Nov. 15 to 18 at the O'Hare Expo Center, Chicago. Retailers and manufacturers can obtain registration information from the PLMA, Suite 1500, 41 East 42nd St., New York 10017. Phone: (212) 972-3131.

New Club Targets Medical, Dental Biz

SAN DIEGO — Another new firm has announced plans to jump on the membership warehouse club bandwagon with a specialty concept aimed at the medical and dental professions. MedClub will open its first warehouse, slated to be between 50,000 and 80,000 square feet in size, here next year. The club will sell front and back office supplies for medical- and dental-related businesses as well as drugstore-type products for consumers. Although the company is fashioning itself after membership clubs—and will set up some type of membership rules—MedClub said the interiors will represent an upgraded appearance due to the nature of the products being sold. The first store is expected to open in early 1988. Additional site openings will rest on the success of the initial warehouse. The company said long range plans call for the opening of additional locations throughout the West Coast, Arizona and Colorado.

Ames Donates Vitamin A to Third World

ROCKY HILL, Conn. — Ames Department Stores, the 330-store discount chain headquartered here, has donated a half-million vitamin A capsules through the C.A.R.E. organization to various Third World countries, including India, Bangladesh and Pakistan. According to Ames, vitamin A deficiency leads to blindness from glaucoma in 500,000 Third World children each year, as well as measles and other illnesses. The 50,000-unit megadose capsules are being made for Ames by Tishcon Corp. in conjunction with pharmaceutical giant Hoffman-LaRoche.

FOR THE RECORD

Sales for Gee Bee and Dollar Bargain Stores' 67 outlets totaled $200 million in 1986, a 7.5 percent increase over 1985 figures. Figures in *DSN's* annual industry census (July 20) reflected only Gee Bee results in 1986 while showing the combined results for 1985. The 1986 figure should have included the Dollar Bargain Stores sales.

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Jamesway Nears $700M Sales Goal Despite Below-Plan Labor Day Sales

SECAUCUS, N.J. — Jamesway, the 105-store discount chain based here, reported that sales for a six-week period ended Sept. 12 were below plan for the period, yet the discounter remained confident of reaching its sales goal of $700 million by year-end.

For the six-week period, which included Labor Day business for both this year and last, total sales rose 16 percent, while store-for-store sales were up 7 percent.

Arlie Lazarus, president of the chain which generated $612 million in sales last year, noted that the sales increase was in line with store-for-store and total sales increases for the first half of the year but below plan for the period.

Herbert Fisher, chairman, added that the final count for new stores in 1987 will be 11 on a base of 100 open at the beginning of the year. He said, "Despite some slippage in our 1987 store-opening program, we are on target toward our previously stated sales goal of about $700 million for this year. For 1988, we are confident we will have 15 new stores, and perhaps as many as 20."

This month, Jamesway opened two new stores in Brodheadsville and Blakeslee, Pa. Next month, the discounter is scheduled to open a new unit in New Elkton, Md. Jamesway recently signed leases for a new 50,000-square-foot store in Mt. Airy, Md., and its second Harford County, Md., store. Both of the stores are scheduled to open in the fall of 1988.

The Mt. Airy store will feature wider aisles, more brightly illuminated retail departments, a number of computerized checkouts, a layaway center, a rebate/rain check service center and special "cash only-no limit" checkout lines.

The 60,000-square-foot Harford County store is part of the proposed Constant Friendship Shopping Center, a 165,000-square-foot strip center to be co-anchored by a Weis Supermarket.

Maryland is rapidly becoming an important new market for the company, said Fisher. "With six other Jamesway units in the state, we look forward to planting our retailing roots in Mt. Airy and in Harford County," he added.

Accelerates Expansion Plans

Yellow Front Buys 64 Bonanza Stores

PHOENIX, Ariz. — Just six months after its divestiture from Lucky Stores via a $50 million leveraged buyout, general merchandiser and discounter Yellow Front Stores announced it will add to its 106-store total with the purchase of Renton, Wash.-based Bonanza Stores' 64 sites for an undisclosed amount.

A signed agreement between Yellow Front's parent company, YFS Holdings, and Bonanza was completed in September and the deal is expected to be completed at the end of this month.

Purchase of the Bonanza Discount Centers greatly accelerates Yellow Front's growth plans. The chain had expected to open only seven stores by year's end and another 15 stores in 1988.

However, since the buyout from Dublin, Calif.-based Lucky in April—by Dan Sullivan of Kenmare Capital Corp. in New York, Yellow Front president Sean Lee, and five other company executives—Yellow Front has taken an aggressive expansion posture, which called for the opening of 200 stores by 1990.

To reach this goal, Lee said Yellow Front had been looking to go west of its present stores, which are located in Arizona, Colorado, Idaho, Nebraska, Nevada, New Mexico, Utah and Wyoming.

With the purchase of the 64 Bonanzas, Yellow Front will have an entrance into Washington, Oregon, Montana and California. The only state where the two chains will overlap is in Idaho.

The acquisition of the Bonanza Discount Centers—taking Yellow Front to 170 stores—will also create yearly sales in excess of $200 million, Yellow Front said.

The actual transformation of the Bonanza sites to Yellow Fronts—including a name

(Continued on page 184)

Florida Senate Votes Down Ad Tax

TALLAHESSEE, Fla. — In a special session this month, the Florida State Senate voted to repeal a controversial 5 percent service tax on advertising. A conference committee of House and Senate legislators was expected to hammer out a compromise revenue-producing law to replace the ad tax this month.

Retailers who advertise in Florida have been among numerous groups vocal in their opposition to the three-month-old measure.

The Senate-approved bill repeals the tax effective Jan. 1, 1988, plus supports a 1 cent increase in the state's sales tax to 6 percent. Until repealed or revised, Florida advertisers must pay the 5 percent service tax, said Jon Peck, deputy press secretary to Florida Governor Bob Martinez.

Peck said that opposition forces within the legislature and around Florida convinced Martinez last month that the levy, instituted in July to raise approximately $1 billion a year in additional revenue, is inappropriate. Peck said public opinion polls in Florida showed that 80 percent of the people opposed the tax.

Martinez called the Florida legislature into special session on Sept. 22 and 23 to determine the fate of the law. He wanted to put the question before Florida voters in either the November election or the March 8, 1988, presidential primary ballot. But the opposition was too strong, and Martinez was persuaded to work to repeal the law.

Since the state still requires additional revenue, Peck said, Martinez extended the special session through Oct. 9 in hopes of finding new sources of revenue. By Oct. 2, Florida lawmakers still had not solved their dilemma. Ultimately, the legislators will probably decide to either increase the state's 5 percent sales tax or cut spending.

Between July 1 and Dec. 31, the service tax is expected to produce an estimated $300 million to $350 million, revenues the state will keep.

K mart: Top Discounter Advertiser

CHICAGO — K mart Corp., the nation's largest discount store chain, was the ninth leading national advertiser last year, according to an annual survey conducted by *Advertising Age*. K mart, which registered sales of $23.8 billion in 1986, spent $590.35 million on a variety of media to draw consumers through its doors last year.

Sears, Roebuck & Co., which ranked third overall on the *Advertising Age* listing, led all retailers in ad spending, plunking down $1 billion in 1986 on national advertising.

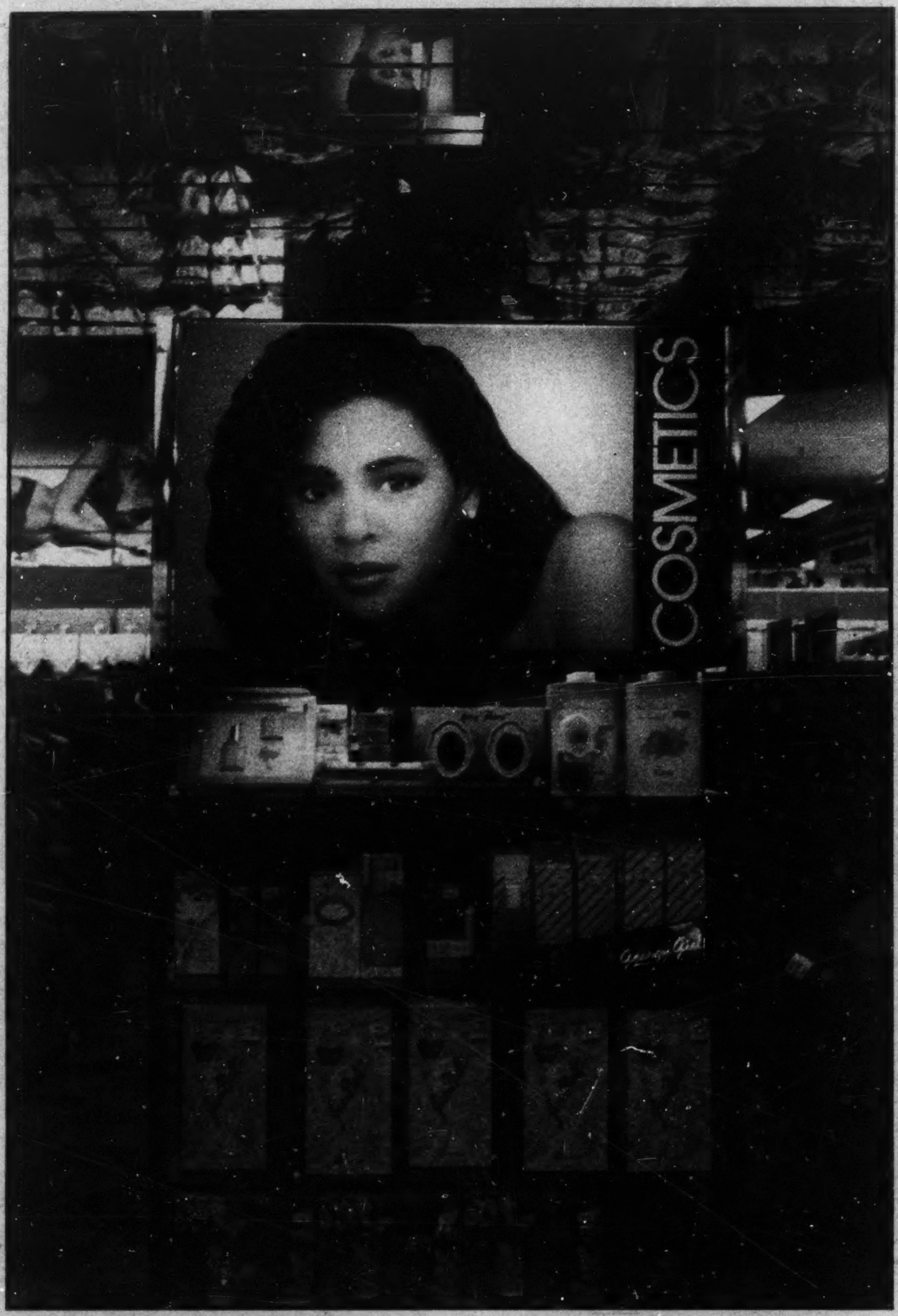
Procter & Gamble Co. spent $1.44 billion to advertise its products in 1986 to nab the No. 1 ranking among all advertisers.

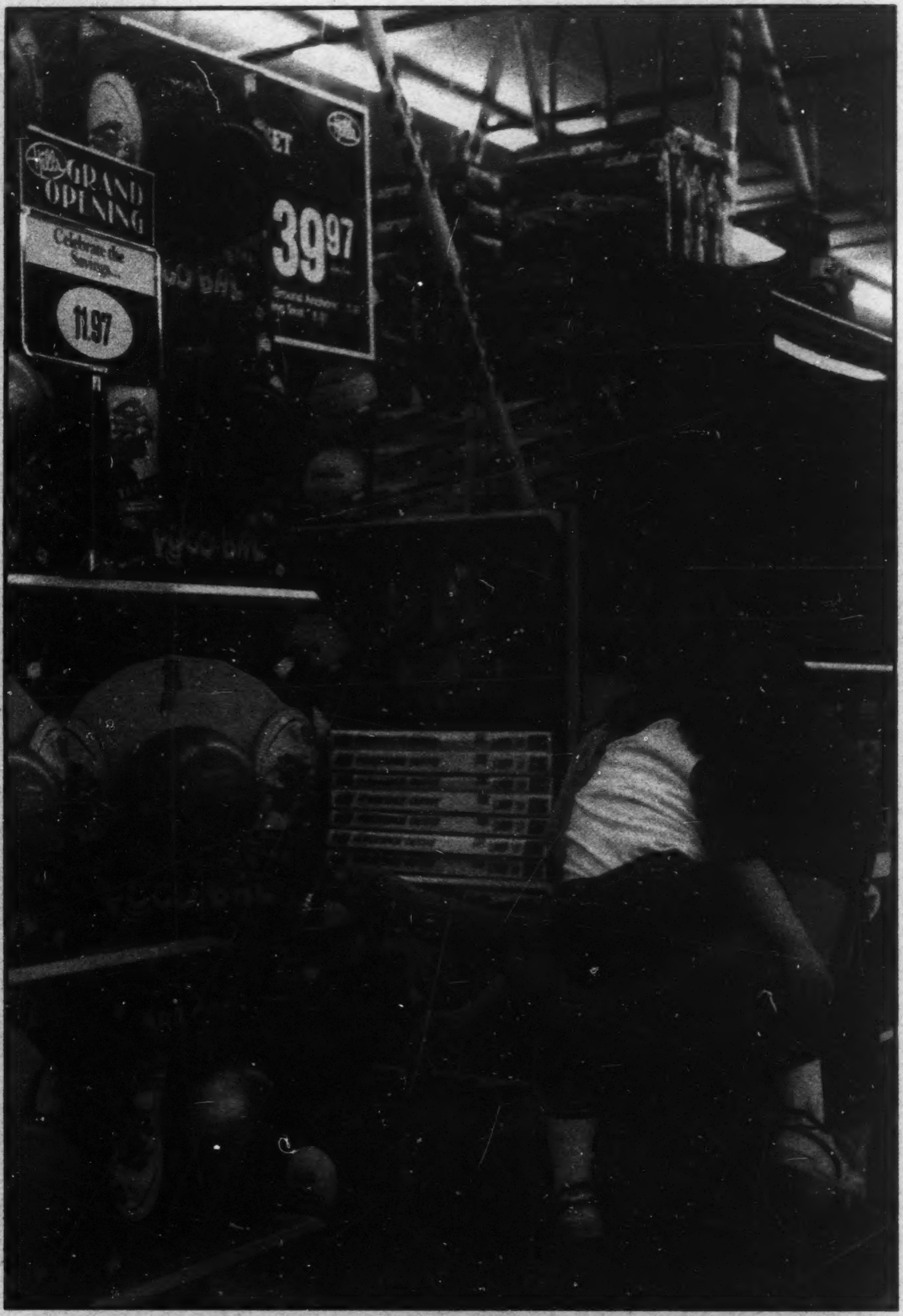
K mart's reported ad expenditures were up 4.1 percent over 1985. According to the publication's research, the bulk of K mart's ad expenditures were divided as follows:

- Magazines, $20.46 million, up 91 percent;
- Network TV, $26.33 million, up 62 percent;
- Spot TV, $24.21 million, up 4 percent;
- Network radio, $6.53 million, up 47 percent;
- Spot radio, $3.6 million, down 44 percent;
- Outdoor, $138,000, down 63 percent;
- Network cable, $648,000, up 26 percent.

The 100 leading national advertisers increased their U.S. ad spending only 3.4 percent to $27.17 billion in 1986, according to the report.

Top Brands




GRAND OPENING
11.97
39.97

Stuart's
PRICES ARE LOWER!
COMPARE & SAVE!
GITANO
Stuart's
PRICES ARE LOWER!
COMPARE & SAVE!
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Brands Continue to Grow at Discounters

Store Managers Cite Housewares, H&BA as Departments Experiencing Greatest Increase in National Brand Products

Special Top Brands Report —pages 39 to 159

National Survey Reveals Store Managers' Top Performing Brands

Automotives page 139
Quaker State
Pennzoil
Fram

Consumer Electronics page 90
Emerson
General Electric
RCA

Cosmetics page 159
Maybelline
Cover Girl
Revlon

Domestics page 89
Cannon
J.P. Stevens
St. Mary's

Food, Candy, Snacks page 133
Frito-Lay
Hershey
Brach's

Hardware page 147
Black & Decker
Stanley
General Electric

Health & Beauty Aids page 143
Crest
Colgate
Johnson & Johnson

Household Chemicals page 84
Tide
Windex
Clorox

Housewares page 79
Rubbermaid
Corning
Black & Decker

Infants, Toddlers, Children's Apparel page 74
Fruit of the Loom
Curity
Wrangler

Ladies' Apparel page 69
Lee
Gitano
Wrangler

Men's Apparel page 70
Fruit of the Loom
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Lee

Personal Care page 130
Conair
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General Electric

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Kodak
Polaroid
Canon

Sporting Goods page 150
Coleman
Wilson
Spaulding

Stationery page 153
Mead
Bic
Papermate

Toys page 145
Fisher-Price
Mattel
Playskool

Leading brands in 17 merchandise categories were named by store managers nationwide in a poll conducted for Discount Store News *by Leo J. Shapiro & Associates.*

39% Say Brands Are Up

Fast Growth of Brand Names Slows Slightly at Discounters

Nationwide DSN Report

Discount chains continued to sell more national name brand merchandise this year in all areas of their stores.

The trend toward greater national brand assortments, documented by *DSN* five years ago in its first Top Brands Survey, showed only marginal sign of slackening as 39 percent of discount store managers surveyed this year reported their stores are carrying more brands than they did a year ago.

Competition Increases

About half of the managers surveyed said they are selling about the same number of name brand items this year. After name brand gains of 61 percent in 1983, 54 percent in 1984, 48 percent in 1985 and another 48 percent in 1986, this year's results are perhaps a portent of increased competition among national suppliers for space on discounters' shelves.

For the second year in a row, housewares and health & beauty aids were the categories exhibiting the strongest brand name growth. Other fast-growing brand name categories this year were household chemicals, sporting goods and men's and ladies' apparel.

Twenty-four percent of the discount store managers surveyed cited housewares as a category in which the number of national brands being carried has increased since last year. Among upscale discounters like Target, housewares brand growth was more dramatic. Almost four out of every 10 upscale store managers cited housewares as an example of increased brand penetration.

Health & beauty aids was mentioned by 21 percent of the managers surveyed. Again, upscalers helped spur brand name growth in this category as nearly one-quarter of upscale store managers mentioned H&BA as a department that has added more national brands.

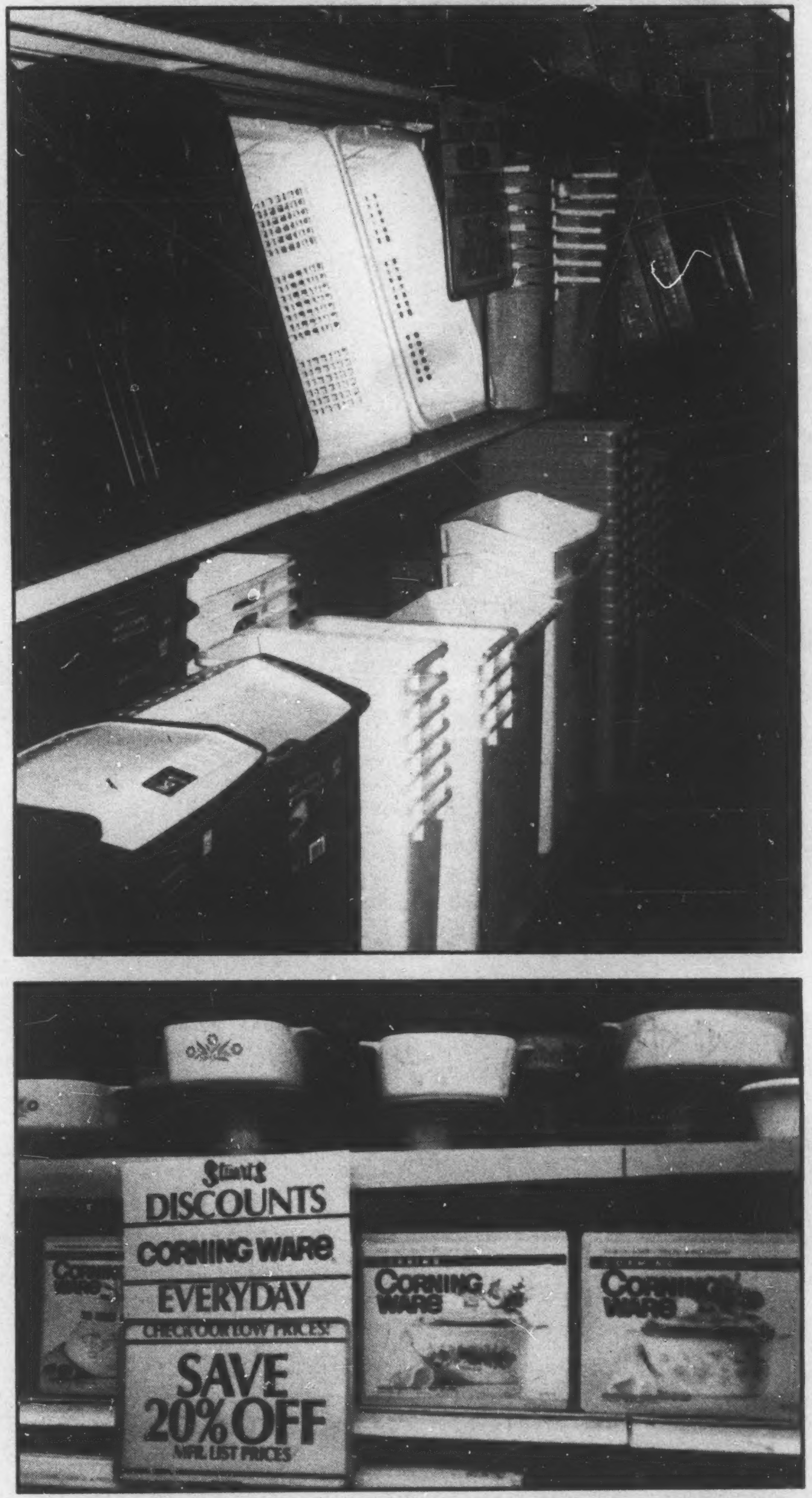
Household chemicals, unranked last year, jumped onto the top 10 ranking in 1987 as

(Continued on page 65)

Discounters Carrying More Brands
(Percent reporting growth in national brands carried)

Growth	1987	1986	1985	1984	1983
Greater	39%	48%	48%	54%	61%
Same	54	45	49	43	36
Less	5	6	2	3	3
Not Answering	2	1	1	—	1

Source: Discount Store News/Leo J. Shapiro & Assoc.



Since 1984, discount store managers have named housewares as the department experiencing the most growth in name brands carried. In the 1987 survey of top brands, Rubbermaid received the most mentions as a top brand, followed by Corning. (DSN photos)

Where Name Brands Are Growing—All Discounters

Department	1987	1986	1985	1984	1983
Housewares	24%	20%	22%	22%	20%
Health & Beauty Aids	21	17	14	22	16
Household Chemicals	11	5	3	—	—
Sporting Goods	11	9	5	8	8
Men's Apparel	11	14	16	21	23
Ladies' Apparel	10	17	18	22	26
Cosmetics	10	7	9	3	8
Hardware	8	11	9	10	18
Consumer Electronics	8	9	6	7	8
Automotives	6	3	3	4	5

Source: Discount Store News/Leo J. Shapiro & Assoc.

Rate of Brand Name Growth Slackens Slightly at Discounters

(Continued from page 39)

slightly more than one out of 10 store managers cited that category for brand name growth. National brand household chemicals received stronger support from conventional discounters than from upscale discounters.

A resurgence in the popularity of branded sporting goods at conventional discount stores spurred an overall rise of that category. Managers of conventional discounters like K mart, Wal-Mart and Zayre mentioned sporting goods more than twice as often as upscale store managers, who gave greater support to such categories as consumer electronics and hardware.

Brand Replacement

Overall, men's and ladies' apparel exhibited some slowdown in the growth of name brands. However, these two categories have been among the fastest growing for the past few years and this may be an area where replacement of brands rather than addition of new brands may be occurring.

In ladies' apparel, 11 percent of all managers cited brand name growth in the department, compared to 17 percent last year. Among upscalers, only 7 percent of the managers polled named ladies' apparel as a department where brands are growing. Last year, 24 percent of upscalers made that statement.

Conventional discounters indicated greater brand growth in ladies' apparel, as 12 percent, about the same figure as last year, cited the category.

This year, only 11 percent of all managers surveyed mentioned men's apparel as a top department for brand growth—down from 14 percent who cited the category last year.

The trend to expand national brands was more in evidence among conventional chains, according to the study. About 40 percent of the conventional store managers polled reported an increase in the number of brands carried in all departments. That figure compares to about 35 percent for upscalers.

Specifically, over half the store managers at Wal-Mart and Zayre said they carried more branded merchandise this year. Some four out of 10 K mart managers reported an increase in name brands and three out of 10 Target managers said their stores are carrying more name brands this year.

This exclusive nationally projectable study was conducted for *DSN* by Leo J. Shapiro & Associates, a Chicago-based research firm.

It was based on telephone interviews conducted with 300 discount store managers across the nation during the spring of 1987.

In addition to K mart, Wal-Mart, Zayre and Target, other discount chains polled included Bradlees, Caldor, Venture, Gold Circle and Fred Meyer.

Where Name Brands Are Growing—Conventional Discounters

Department	1987	1986	1985	1984	1983
Housewares	20%	19%	23%	22%	18%
Health & Beauty Aids	19	17	17	19	16
Sporting Goods	13	9	5	7	7
Household Chemicals	13	6	4	—	—
Cosmetics	12	8	12	3	10
Men's Apparel	12	9	14	19	25
Ladies' Apparel	12	13	19	23	25
Hardware	9	13	8	12	20
Consumer Electronics	8	13	5	6	8
Automotives	7	3	3	5	6

Source: Discount Store News/Leo J. Shapiro & Assoc.

Where Name Brands Are Growing—Upscale Discounters

Department	1987	1986	1985	1984	1983
Housewares	37%	23%	18%	21%	28%
Health & Beauty Aids	26	17	12	34	15
Men's Apparel	8	22	20	27	12
Consumer Electronics	8	3	8	10	8
Household Chemicals	8	3	2	—	—
Ladies' Apparel	7	24	15	21	31
Hardware	7	7	11	4	10
Sporting Goods	6	9	4	12	15
Children's Apparel	5	4	8	8	16
Cosmetics	5	3	3	—	—

Source: Discount Store News/Leo J. Shapiro & Assoc.

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To register more than one qualified individual, please duplicate this Advance Registration Form and attach business cards. Complete Show information, including housing form, will be sent separately.

Managers Attribute Success of Top Brands to Variety of Reasons

	Household Chemicals	Housewares	Hardware	Photo/ Camera	Toys	Consumer Electronics	Food/ Candy/ Snacks	Domestics	Automotives	Stationery	Sporting Goods	Men's Apparel	Ladies' Apparel	Children's Apparel	Personal Care	Health & Beauty Aids	Cosmetics
They have good prices	20%	26%	23%	30%	15%	46%	24%	29%	28%	23%	26%	32%	34%	33%	29%	26%	33%
They advertise heavily	36	17	15	19	29	19	27	8	31	17	11	22	29	14	27	34	30
Good product/quality product	8	23	33	24	21	28	10	33	12	6	19	24	16	28	8	5	7
National brand	27	28	37	35	28	21	32	32	28	29	35	34	24	35	28	30	25
They have wide variety	5	8	12	8	20	5	9	9	5	14	11	8	9	19	13	10	20
Sells well	15	5	9	4	5	5	8	7	10	6	3	7	4	10	2	5	9
Brand recognition	7	9	12	10	8	10	9	8	6	5	12	7	7	4	10	10	8
Only brand we carry	3	3	8	6	3	2	2	11	1	13	2	15	4	7	7	1	4
Sales/specials	12	5	9	7	4	10	9	10	16	4	11	8	7	6	13	10	4
People like this product	4	1	2	3	6	4	6	5	2	6	—	—	1	4	6	6	3
Displays	4	1	4	2	—	6	3	4	1	8	5	3	12	4	5	2	20
People request this brand	7	2	1	1	9	1	1	1	2	4	6	1	1	1	1	4	3
In-store promotions	3	5	4	2	2	4	1	2	6	4	4	1	6	2	2	3	3
Seasonal products that sell well	—	1	3	—	7	—	1	—	5	1	19	—	1	—	—	—	—
We advertise	6	6	2	2	2	6	4	4	5	1	2	2	1	1	5	4	2

Numbers exceed 100 percent due to multiple responses.

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Store Managers Attribute Success To Effective Ads

Nationwide DSN Report

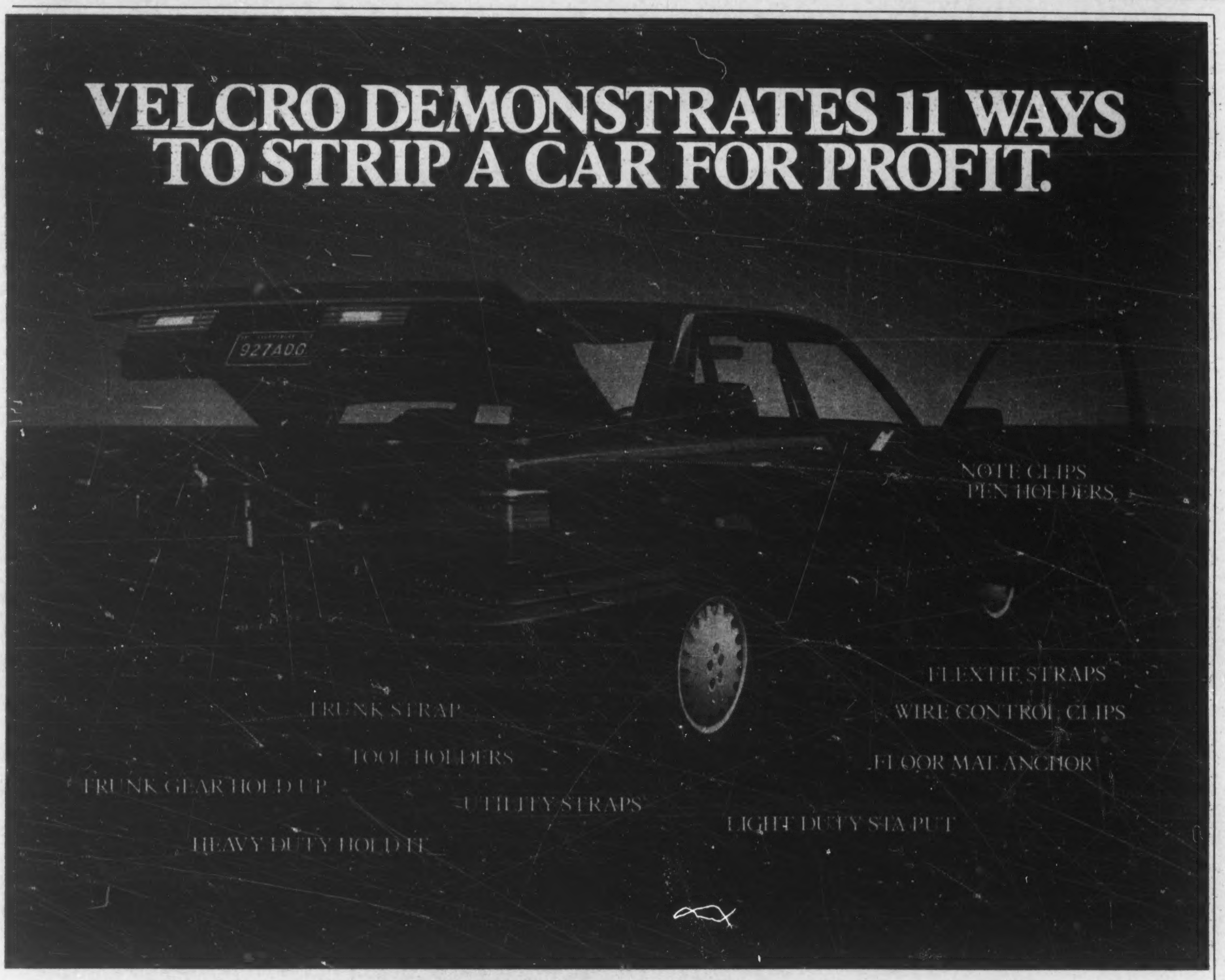
Discount store managers most often attribute the success of their best performing brands to advertising. It is not so much the product as the effectiveness of its advertising that is seen by store managers as creating winners.

Those observations are culled from a special supplement to *DSN*'s 1987 Top Brands Survey that asked store managers to present the reasons behind the success of their top brands. They also help explain why brands regarded in their judgment as top performers are not necessarily the brands with the highest sales volume. It appears that an effective advertising program, especially one that reaches store managers, can create a belief in the field that a brand is a top seller.

Product performance and product variety were other reasons cited most often by store managers as contributing to the success of their top performing brands. Significantly, while a product's price point is regarded as very important, price promotion is downplayed as an attribute of a winning brand. According to managers, top performing brands are more likely ones that have a good price point than products that are frequently on sale. However, upscale discounters placed more emphasis on price promotion than did their counterparts at conventional discount chains.

Of course, the importance of various attributes to the winning sales formula varies from product to product. For example, good prices are most often credited for spurring the success of consumer electronics and soft goods brands. A wide variety of products in a line is seen as an important element in the success of toys and children's clothing brands. Good displays can make the different in women's apparel. And, store location is most often critical to the success of candy, food and snack brands.

The chart above lists some of the most frequently mentioned attributes that contribute to top brands' success.



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Apparel

Gitano Closes Gap on Lee in Ladies' Brands

Nationwide DSN Report

A number of name brands broke the stranglehold of fashion jeans that formerly dominated *DSN*'s list of best performing brands in ladies' apparel.

In past surveys, the top 10 performing brands in the ladies' apparel department, according to discount store managers, consisted of nine fashion jeans labels plus Playtex.

This year, nationally branded jeans and their concurrent line extensions account for just one-half the top 10 names on the 1987 Top Brands Survey, with the other half a mixture of private label and popular names in undergarments.

The most popular brand names in the ladies' apparel department continue to be Lee and Gitano, according to responses from discount store managers.

Interestingly, K mart's Jaclyn Smith and Hunter's Glen labels made the top 10 in ladies' apparel, ranking 5th and 10th, respectively. Although these brands are exclusively made for and sold by K mart, they raced by such popular brands as Jordache and Calvin Klein, which fell to 11th and 12th place, and Gloria Vanderbilt and Sasson, which did not make the list this year.

At K mart, nearly six out of 10 managers surveyed listed the Jaclyn Smith Signature Collection as a top performing name brand in the ladies' apparel department, causing the label to leapfrog over more nationally recognized names.

The popularity of the Lee brand name continues among discount stores, even though the manufacturer refuses to sell directly to such retailers as K mart and Wal-Mart.

This policy finally appears to be affecting the popularity of the Lee brand among discount retailers.

Gitano, ranked second but only by a very small margin, is gaining momentum in the marketplace among discounters.

This year, close to one-third of all discounters named both Lee and Gitano as top performing labels. Last year, Lee held a convincing lead over Gitano.

Both brands were rated equally as well by retailers operating small stores (under 60,000 square feet), medium-sized stores (60,000 square feet to 100,000 square feet), and large stores (over 100,000 square feet).

Lee is still a very popular brand label at upscale discounters like Target. Among these retailers, Lee strengthened its position with more than two-thirds the upscale store managers saying the jean label performs well in their stores.

Gitano, however, also strengthened its position among upscale retailers, growing from a response rate of two in 10 to four in 10 in 1987. Twenty percent of Target managers said Gitano is a top performing label, up from less than one in 10 a year ago.

Among conventional discounters like K mart, Wal-Mart and Zayre, Lee's popularity slipped from more than two in 10 responses last year to just less than that this year, while Gitano remained popular among a full one-fourth of all conventional store managers polled.

Third-place Wrangler lost some ground among discounters this year, especially conventional discounters, but strengthened its rating among upscale discount chains.

Chic, which held its fourth place ranking of last year, strengthened its position at upscalers, rising from a mention rate of one in 10 to two in 10.

Levi's, which continued to hold the sixth place spot on the top brands survey in ladies' apparel despite its policy of not selling directly to discounters, gained one percentage point in rate of mentions among conventional retailers over its 1986 response rate.

Upscalers mentioned the Levi's brand fewer than two in 10 times this year, compared to more than three in 10 last year, perhaps signaling a growing reluctance by these retailers to go outside the normal channels of distribution to secure product.

Fruit of the Loom, more popular for men's undergarments, made the top 10 brands survey this year in ladies' apparel, with its greatest number of mentions coming from the upscale discount store managers. When asked to name their best performing brands in ladies' apparel, more than one in 10 upscale discounters responded with Fruit of the Loom.

Among four of the top retail chains, Lee-brand apparel remains in the top spot, largely on the strength of responses from Target managers.

Target managers gave Wrangler, and not the overall No. 2 brand Gitano, the second-highest number of responses. One-half of all Target managers said Wrangler performs well in their stores, up from four in 10 last year. Chic ranked fourth and Levi's fifth.

Zayre managers put Gitano in the top spot with nearly six out of 10 responses. Wrangler was second, followed by Lee. Chic was a distant fourth.

Wal-Mart managers cited Chic more often than any other brand name in ladies' apparel, with four out of 10 responses, followed by Wrangler, with one-third naming the label as a top performing brand. Gitano

(Continued on page 73)

Gitano and Chic, shown at Shopko, Spokane, Wash., were mentioned by store managers as among their best performing brands in ladies' apparel. (DSN photo)

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Lee	31%	17%	65%
Gitano	30	25	40
Wrangler	21	19	28
Chic	16	14	22
Jaclyn Smith*	15	—	—
Levi's	10	8	17
Playtex	9	8	14
Fruit of the Loom	8	5	14
[illegible]	3	3	3
Hunter's Glen*	2	—	—
Jordache	2	2	1
Calvin Klein	2	2	—

*K mart exclusive labels

Source: Discount Store News/Leo J. Shapiro & Assoc.

MARKETWATCH

Apparel Hotline:
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NEW YORK — The first of at least three specialty chains **R.H. Macy's** will be opening is called **Aeropostale**, a casual sportswear/weekend wear store with an "Indiana Jones"/Banana Republic-like merchandising environment. Three pilot units, ranging from 3,500 square feet to 4,500 square feet, will open within two weeks of each other, starting early next month, in Jersey City and Short Hills, N.J., and in the Pleasanton suburb of San Francisco. The name Aeropostale, which is a Macy's private label the department store has been merchandising for three years, is based on the French airmail service in Europe, North Africa and South Africa during the 1920s.

The second specialty chain, which is still under development, will be called Charter Club (also the name of another Macy's private label line), this one featuring career-oriented, higher-priced sportswear in misses' and petite sizes. The first Charter Club unit, which is expected to open next spring, could be in the New York metropolitan area. The third specialty chain will be developed around a private label intimate apparel line called Fantasies by Morgan Taylor, though the exact name of the chain has yet to be determined.

As many as eight new units among the three chains could be added next year, said Edward S. Finkelstein, Macy's chairman, adding that the retailer estimates a $500 million-plus sales gross from the specialty store venture by 1992. Richard Crystal, a senior vice president at Macy's New York, has been named president of the specialty store division.

* * *

NEWARK, Calif. — **Ross Stores, Inc.**, the off-pricer based here, rebounded in the second quarter to the profitable side of the ledger. In the quarter, earnings were $4.7 million, or 17 cents a share, up from a loss of $515,000 a year ago. Sales increased 18.5 percent to $131 million from $110.5 million. In the six months ended Aug. 1, earnings were $556,000, compared to the year-ago period's loss of $6.8 million. Sales for the six months increased 16.5 percent to $257.1 million from $220.6 million.

Underwear Label Upsets Ranking in Men's

Nationwide DSN Report

Fruit of the Loom has supplanted two jeans brands as the best performing men's apparel brand, according to a recent survey of discount store managers.

In *DSN*'s 1987 Top Brands Survey, Fruit of the Loom leapfrogged over Lee and Wrangler. Last year, Wrangler was the top performing brand, followed by Lee and Fruit of the Loom.

Fruit of the Loom was cited by nearly four out of 10 discount store managers, an increase from three out of 10 in 1986. The underwear brand showed equal strength among conventional and upscale discounters, with 38 percent and 40 percent of the managers, respectively, mentioning the brand as a top performer.

However, Fruit of the Loom strengthened its position with upscale discounters being mentioned as a top brand by 40 percent of the managers polled, compared to 26 percent last year.

Wrangler dropped eight percentage points to 35 percent from last year's 43 percent, and Lee fell by five percentage points to 31 percent from 36 percent. VF Corp., which acquired Blue Bell (Wrangler and Rustler) early last year, might be experiencing some strategic problems handling the two brands, industry observers have said.

Lee continued to be the best performing brand among upscale store managers, actually rising by 2 percent among those managers to 59 percent. It has always been VF's strategy, even before it acquired Wrangler and Rustler, to position Lee more strongly with the upscale chains.

Hanes remained the fourth best performing brand in men's wear, with 31 percent of the managers polled mentioning the underwear label. Also, Hanes was stronger than Fruit of the Loom with the upscalers. Hanes was the second-leading brand with that group (after Lee), with nearly one-half the respondents mentioning that brand as among their best performers.

McGregor nudged out Levi's for the No. 5 slot with 16 percent, up one percentage point over last year. McGregor, which ranked No. 7 the year before, strengthened its position with the upscalers—up 10 points to 28 percent—while losing ground with the conventional discounters—down to 11 percent.

Each of the top four men's wear brands received fewer mentions from K mart managers this year, which could indicate that chain's increasing commitment to its private label business.

Levi's, the country's best-selling jeans brand, continues to suffer among discounters, who are apparently becoming increasingly unwilling to acquire the product from a third party. It is Levi's policy not to sell directly to discounters.

Levi's dropped eight points to 13 percent, ranking it sixth in number of mentions among store managers. Not surprisingly, Levi's got most of its best brand mentions from the upscalers (21 percent) rather than the conventional discounters (10 percent).

While Levi's decline has been precipitous, the jeans manufacturer can look at it another way: The brand is so appealing that discounters go out of their way to get the brand and continue to rate it among the top 10—without the company's support.

Dickies, with all its strength coming from conventional discounters, tied Levi's for sixth place with 13 percent of the managers surveyed mentioning it as a top performer.

Holding in the No. 8 position is Rustler, a brand Blue Bell (Wrangler) was promoting for the discount and mass merchant market before Blue Bell was acquired by VF.

VF has continued that strategy but with a bit less success as far as store managers are concerned. While the Rustler brand held on to the eighth-ranked best brand, it was mentioned as a top performer by only 8 percent of the managers polled, compared to 14 percent last year. The brand appeals most to the conventional discounters (10 percent) rather than upscalers (3 percent).

Rounding out the top 10, Reed st. James, the multi-category brand created by a number of manufacturers for the discount and mass market, and Manhattan shirts tied for the ninth spot being mentioned as a top brand by 4 percent of the managers surveyed. Reed st. James was No. 9 last year but was mentioned by a higher percentage of managers. It continues to garner its strength from the upscalers (14 percent) rather than the conventional discounters (1 percent).

Manhattan, since it made the decision just last year to sell its basic brand to discounters, wasn't on last year's list. Not surprisingly, the shirt brand scored more favorably with the upscalers (12 percent) than with the conventional discounters (1 percent).

Garan, which was at 4 percent last year in the tenth spot, fell off the list this year.

Fruit of the Loom should tip its hat to Wal-Mart and Target because it was those two chains, along with Zayre, that helped the underwear brand jump to the No. 1 spot as the top performer this year.

Best performing brand mentions for Fruit of the Loom at Wal-Mart skyrocketed to 22 percent, with slightly more than one-half that chain's store managers naming the underwear as one of their best performing brands in men's wear. Fruit of the Loom was up a big 23 percent at Target, with 54 percent of that chain's manager's citing the brand. And, at Zayre, the underwear brand was up 12 percent to 58 percent, the largest percentage mention from among the top four discounters.

At K mart, Fruit of the Loom actually suffered a slight decrease, to 29 percent of total mentions, compared to last year's 34 percent.

Interestingly, each of the top four brands fell at K mart, which could indicate that chain's increasing commitment to its private label business.

Over half of all store managers surveyed said the reason for Fruit of the Loom's ranking is because it advertises heavily and has high consumer recognition because of that advertising.

On the other hand, less than one-fourth of all store managers said the Wrangler brand was appealing because of its advertising.

Nonetheless, Wrangler, which recently instituted a new, upscale series of national television ads, gained ground at upscale Target, suggesting perhaps that the more upscale appeal of Lee is rubbing off on Wrangler now that both brands are owned by VF.

Wrangler also picked up more best mentions among Zayre managers polled (to 49 percent, up 8 percent), while suffering significant drops at both K mart (down 26 percent to 27 percent) and Wal-Mart (down 22 percent to 60 percent).

Surprisingly, Lee lost ground at Target, dropping 11 percent in best mentions from last year. Lee gained ground with Zayre, lost at K mart and gained slightly at Wal-Mart.

However, Lee led all other brands when it came to store managers saying that product quality was the reason for a particular brand being the best performer.

Hanes improved practically across the board, with percentage increases in double digits at Target, Zayre and Wal-Mart, while suffering a small decline at K mart.

McGregor scored far better at upscalers like Target (32 percent) than with conventional discounters like K mart (1 percent) and Wal-Mart (13 percent), although the pants brand did do well at Zayre (33 percent).

Surprisingly, Wrangler for the first time made more of an impression somewhere other than the South. The brand brought its cowboy/rodeo appeal to the North Central region with a 6 percent increase over last year while suffering a 9 percent fall off in the South.

The jeans brand suffered most, however, in the West, with a 30 percent drop to 16 percent.

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Fruit of the Loom	29%	51%	58%	54%
Wrangler	27	60	49	59
Lee	6	6	62	54
Hanes	21	27	52	44
McGregor	1	13	33	32

Source: Discount Store News/Lee J. Shapiro & Assoc.

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Fruit of the Loom	39%	38%	40%
Wrangler	35	33	38
Lee	31	20	59
Hanes	31	24	48
McGregor	16	11	28
Levi's	13	10	21
Dickies	13	18	1
Rustler	8	10	3
Reed st. James	4	1	14
Manhattan	4	1	12

Top Brands' Performances by Region

Brands	Northeast	South	North Central	West
Fruit of the Loom	33%	37%	46%	35%
Wrangler	26	40	46	16
Lee	57	26	40	3
Hanes	41	26	38	18
McGregor	23	13	23	3
Levi's	8	8	18	19
Dickies	8	21	9	12
Rustler	4	12	11	3
Reed st. James	8	1	8	1
Manhattan	14	3	3	—

Gitano Closes Gap on Lee in Listing Of Top Brands in Ladies' Apparel

(Continued from page 69)

was third, Levi's fourth and Lee fifth.

The Jaclyn Smith line of apparel at K mart is the strongest performing label in its ladies' apparel department, according to responses, with Gitano a distant second followed by Wrangler, Chic, Playtex and Hunter's Glen, another exclusively K mart label, which were tied.

Each brand name is popular for a variety of reasons, according to retailers surveyed. Although price was cited most often as a reason for a label's success, advertising and national brand recognition followed closely.

In fact, the K mart managers reporting that the Jaclyn Smith label was their best performing brand said the company's advertising program was the reason for its success.

Of the managers naming Lee first as a best performing brand, the name was cited as the top reason for the label's success. Price was cited next, and advertising and quality tied for the third and fourth reasons for the product's success at discounters.

Survey respondents that gave Gitano a first mention as a top performing brand gave equal weight to price, advertising and national brand name recognition for the success of the label.

Sale specials were listed more often as the reason for the success of Chic, among managers giving that label a first response. Price was the reason for the success of Wrangler, according to managers who cited Wrangler first as a top selling brand in ladies' apparel.

Regional Strengths

Regionally, K mart's Jaclyn Smith Signature Collection ranked as the top ladies' apparel brand in the West, with one-third of respondents naming the exclusive label. This is testament to the strength of K mart in this region.

Levi's collected mentions as a best performing brand from nearly two out of every 10 discount store managers in the West. Fewer than one in 10 managers in the West named Gitano and Fruit of the Loom as among their best performing brands.

In the North Central region, Lee received the most responses, with more than four in 10 managers mentioning the popular jeans brand as a top performer. Gitano and Wrangler, with nearly identical results, were ranked second and third in the region. Southern-based retailers tied Lee and Gitano for top honors, each with nearly one-third of all respondents in this region naming these two brands. Wrangler was a close third with more than two in 10 naming the popular jean label, which was also followed closely by Chic in fourth place.

Northeastern discount store managers named Gitano most often as a best performing brand, with more than one-half the surveyed respondents naming the label as a top brand. Lee was second, with more than four in 10 naming the popular jeans label. Playtex was a very distant No. 3 in the Northeast, with fewer than two in 10 mentioning the brand.

[illegible]

Brands	K mart	Wal-Mart	Zayre	Target
Lee	3%	2%	25%	62%
Gitano	19	16	58	22
Wrangler	13	33	31	50
Chic	11	40	2	36
Jaclyn Smith*	56	—	—	—
Levi's	2	4	—	29

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Brands	Northeast	South	North Central	West
Lee	45%	29%	42%	4%
Gitano	53	29	31	8
Wrangler	17	23	32	5
Chic	8	21	23	4
Jaclyn Smith*	2	13	16	33
Levi's	8	4	15	17
Playtex	19	4	10	8
Fruit of the Loom	10	6	8	8
L'Eggs	2	4	6	—
Hunter's Glen*	2	2	2	4
Jordache	6	1	1	—
Calvin Klein	6	1	1	—

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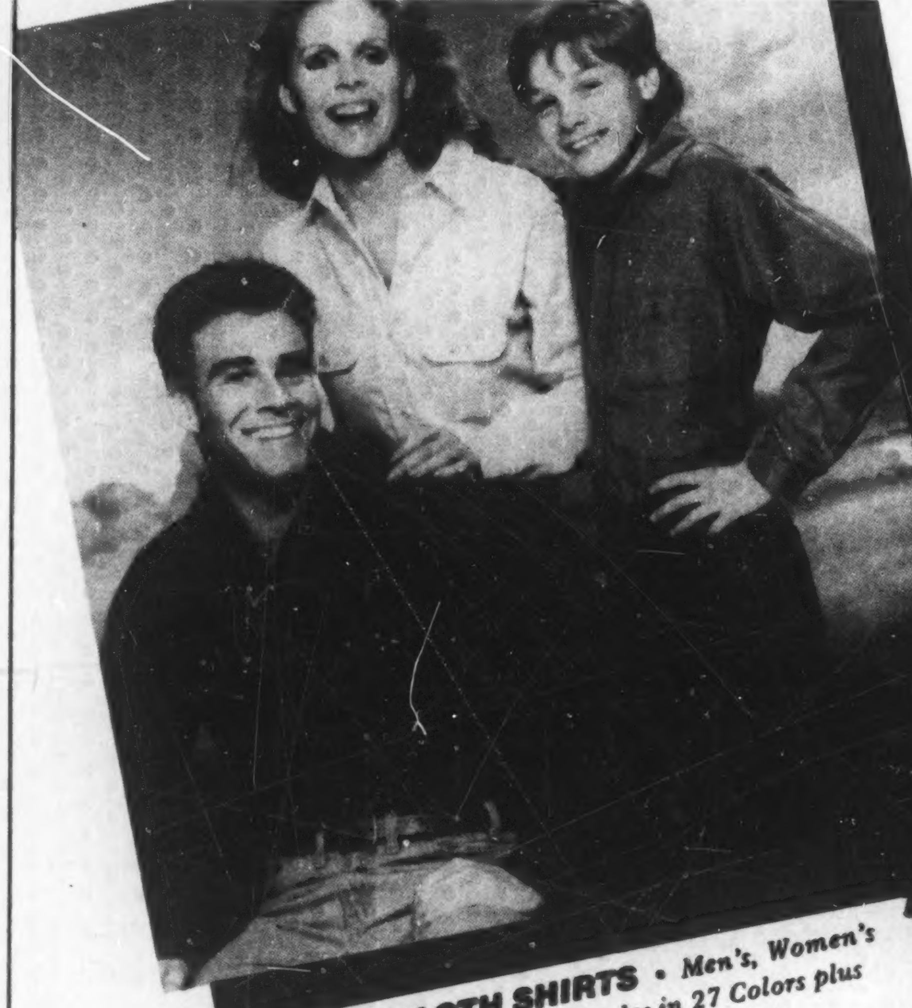

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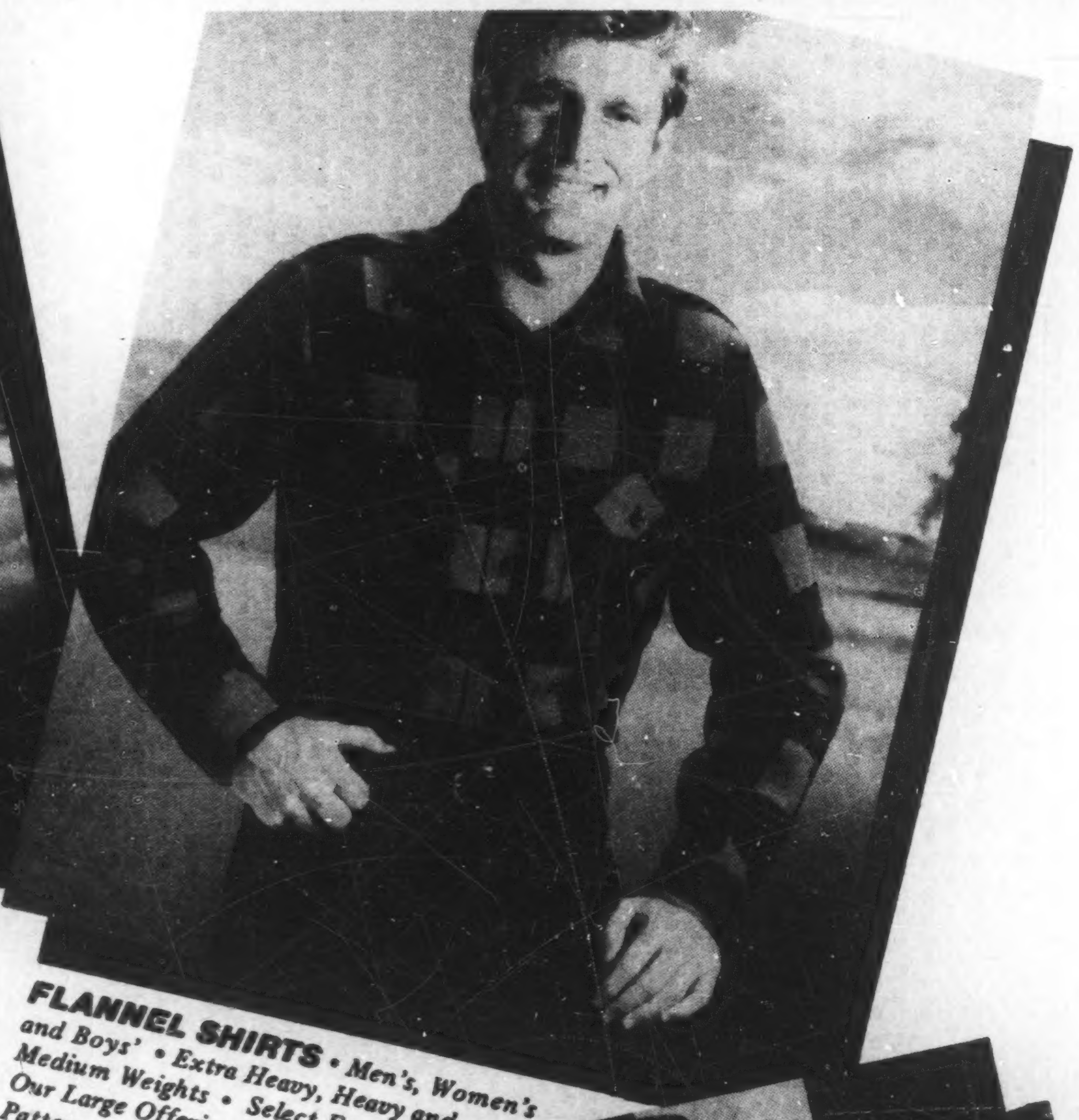

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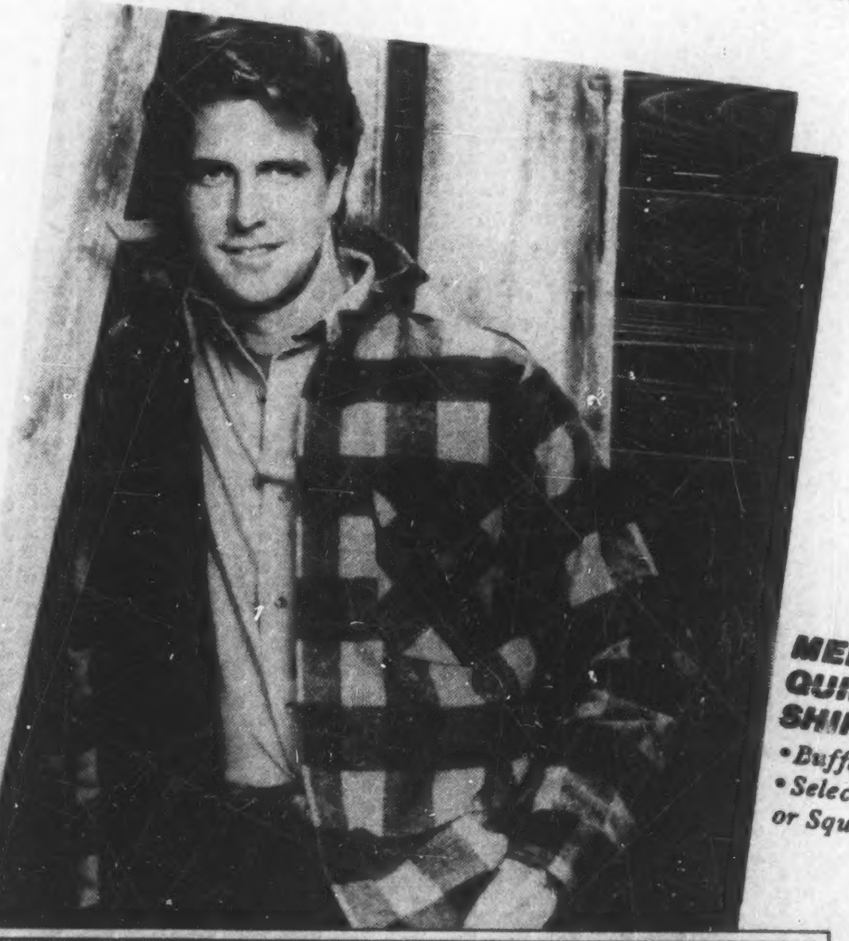

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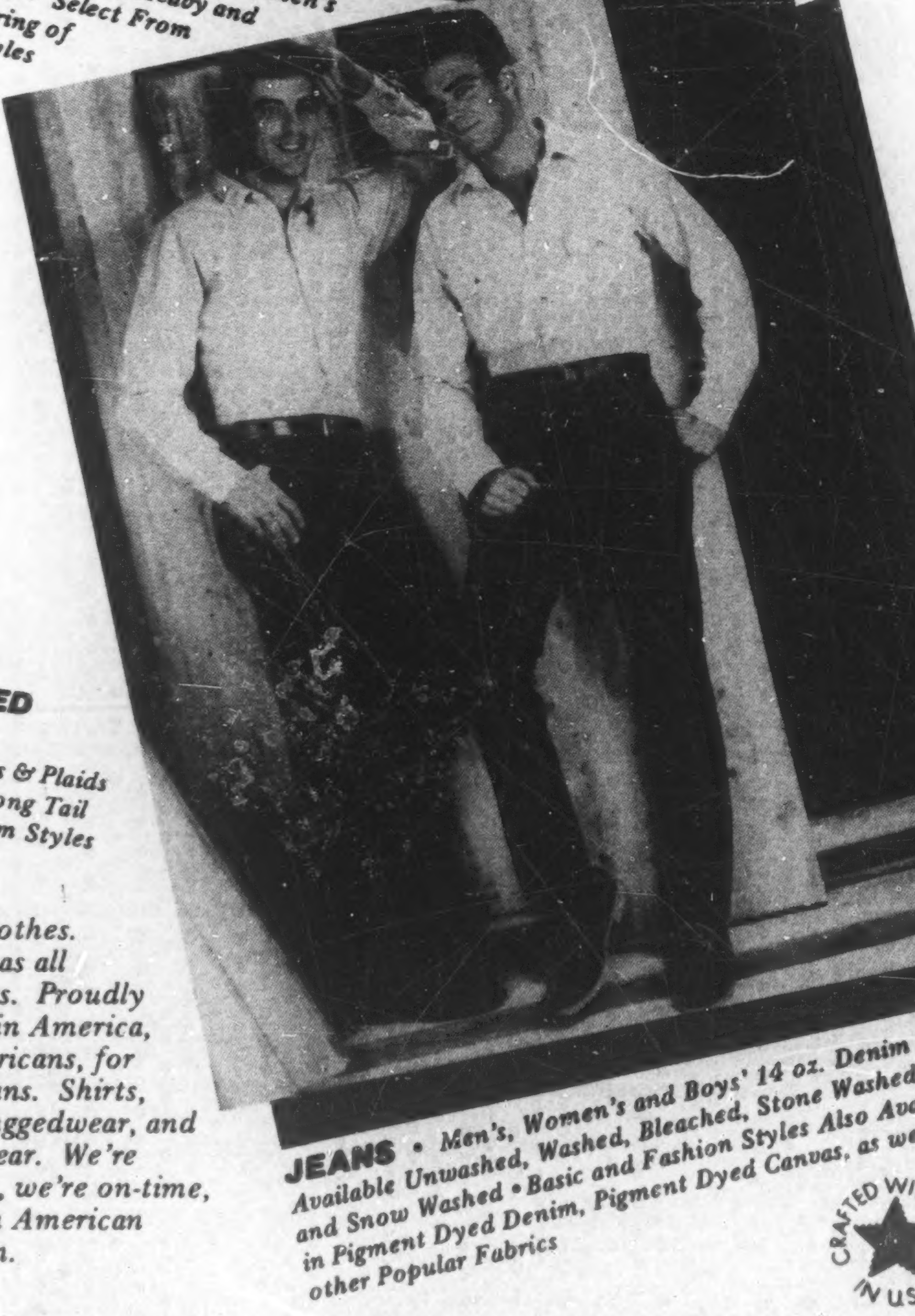

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Diapers, Underwear Are Top Kids' Brands

Nationwide DSN Report

Brand appeal was relatively weak in infants & toddlers and children's apparel departments, as diaper and underwear brands dominated the top 10 list of best performing brands in this category this year.

Fruit of the Loom jumped from the 10th position in 1986 to No. 1 this year, yet, even so, the underwear brand was mentioned by less than two of every 10 store managers as among their best performing brands.

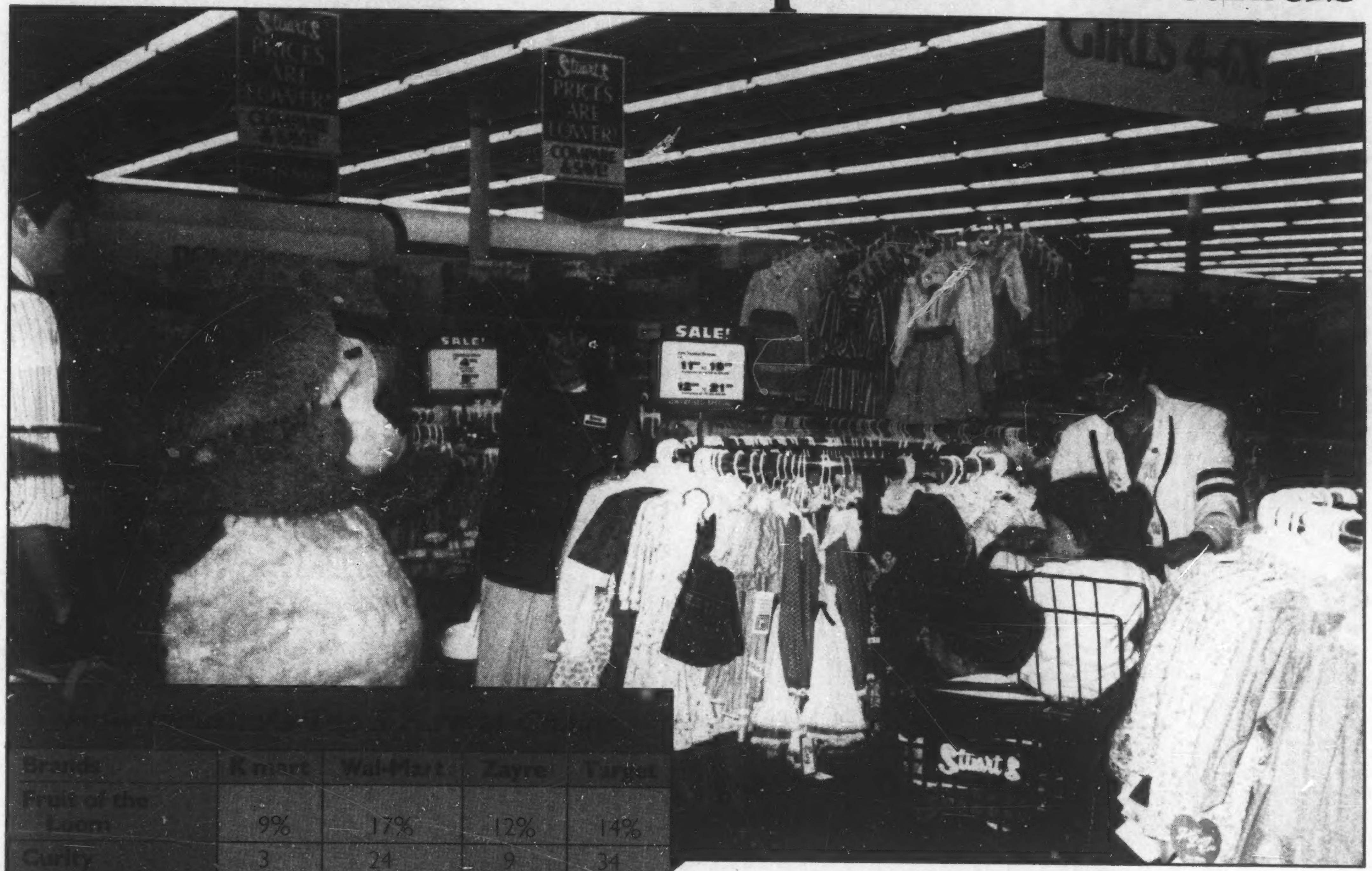
In contrast, the men's apparel top brand (also Fruit of the Loom) was mentioned by more than one-half the store managers, and in women's apparel, one-third of the managers surveyed cited the top brand (Lee) as among their best performing.

In infant & toddlers/children's, Fruit of the Loom was mentioned by 16 percent of the managers, enough to rank the brand No. 1 in *DSN*'s 1987 Top Brands Survey. The underwear brand gained 12 percentage points from last year.

There are also four newcomers to the top 10 this year—Pampers, Huggies, Carter and Hanes, in the Nos. 5, 7, 9 and 10 slots.

This reflects the perception among store managers that diapers are part of their apparel departments. Increasingly at many discounters, diapers are being stacked in infants & toddlers departments.

Dropping out of the top 10 list this year were Garan, Levi's, Health-tex and Gerber, all but the latter representing more children's wear than infants & toddlers.



Brands	K mart	Wal-Mart	Zayre	Target
Fruit of the Loom	9%	17%	12%	14%
Curity	3	24	9	34
Wrangler	7	25	12	28
Lee	—	—	32	20
Pampers	6	19	20	4

Tied for second in number of mentions by store managers, following Fruit of the Loom, were two jeans brands, Wrangler and Lee, and an infant brand, Curity.

Following the pattern in men's apparel, Lee, with 14 percent of mentions in children's apparel, appeals much more to the upscale discounters (25 percent) like Target than conventional discounters (9 percent) like K mart and Wal-Mart. One-fourth of the upscale managers mentioned Lee as a top performing brand, while just under one out of 10 conventional store managers cited that brand. Wrangler, with 14 percent of the overall mentions, received about the same percentage of mentions at the upscale and conventional stores.

One of three Zayre managers cited low price as a factor contributing to the success of their top performing brands. (DSN photos)

Last year, Wrangler was ranked second with 15 percent of total mentions, and Lee was third with the same 14 percent of mentions it garnered this year. Curity also was mentioned by 14 percent of the managers surveyed last year.

Tied for fifth place this year in the survey of store managers were Pampers and Garanimals, both with 11 percent of total mentions.

Pampers is new to the list and is appealing a bit more to the upscalers (14 percent of those managers cited it as a top performing brand) than to the conventional stores (10 percent).

This year's top brands list reflects a much stronger showing by brands in infants & toddlers departments than in children's (boys and girls) departments.

The children's Garanimals brand, which received the largest percentage of total mentions in this category last year, received about 11 percent of mentions this year.

Huggies, with 7 percent of total mentions, ranked No. 7. The diaper brand showed more strength among the upscale stores than with conventional discounters. About 12 percent of upscale store managers mentioned Huggies as among their best performing brands vs. only 6 percent of the conventional store managers that cited the brand. Huggies was not among the top 10 brands mentioned by managers polled last year.

Spencer's ranked No. 8 this year, with the same 6 percent of total mentions that it received last year. Spencer's picked up ground, however, at the upscale discounters. About 4 percent of the upscale store managers cited Spencer's as among their top brands this year, whereas last year all Spencer's mentions came from conventional store managers.

Tied for the ninth rank with 5 percent of the total mentions each were Carter and Hanes, with both showing comparatively uniform appeal between the two groups of discounters (both scored 4 percent with the conventionals, while Carter was one percentage point higher, at 5 percent, than Hanes, at the upscalers).

This year's list reflects a much stronger showing by brands in infants & toddlers departments than in children's (boys and girls) departments.

Fruit of the Loom showed uniform strength among the top four chains: 9 percent of mentions at K mart, 17 percent at Wal-Mart, 12 percent at Zayre and 14 percent at Target.

Regionally, the top underwear brand showed a lot of strength in the West (with 20 percent of mentions there, up from 1 percent last year). Fruit of the Loom received more mentions in that region than any of the other parts of the country. Fruit of the Loom was mentioned by 16 percent of the managers in the South and North Central states (up from 2 percent and 3 percent, respectively), and was mentioned by 10 percent of the Northeast store managers, down slightly from 1986.

(Continued on page 76)

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Fruit of the Loom	16%	14%	20%
Curity	14	8	32
Wrangler	14	13	15
Lee	14	9	25
Pampers	11	10	14
Garanimals	11	12	9
Huggies	7	6	12
Spencer's	6	7	4
Carter	5	4	6
Hanes	5	4	5

Brands	Northeast	South	North Central	West
Fruit of the Loom	10%	16%	16%	20%
Curity	27	8	22	1
Wrangler	8	18	17	8
Lee	22	14	18	—
Pampers	14	7	18	4
Garanimals	8	14	14	3
Huggies	10	5	12	1
Spencer's	10	7	3	6
Carter	10	—	2	12
Hanes	2	2	7	6

Diapers, Underwear Are Strong Performers in Kids' Brands

In the Northeast region, Curity received the largest percentage of mentions by discount store managers as a best performing brand, followed by Lee, Pampers, Spencer's, Huggies, Carter, Fruit of the Loom, Garanimals, Wrangler and Hanes. (DSN photo)

(Continued from page 74)

Curity, like Lee, and, surprisingly, Wrangler as well, did far better at Target, with 34 percent of that upscale chain's managers mentioning the brand, than with K mart (down 8 percent to just 4 percent of mentions by K mart managers). At Wal-Mart, Curity was mentioned by 24 percent of the managers, compared to 16 percent last year.

Ranking second at Target behind Curity was Wrangler, with 28 percent, up 15 points from the percentage of mentions last year. Lee was mentioned by 20 percent of the Target managers, about 14 points below last year.

Pampers scored uniformly well at three of the four chains. Pampers received 19 percent of the mentions at Wal-Mart, 20 percent at Zayre and 14 percent at Target. Six percent of the K mart managers cited Pampers as among their best performing brands.

Regional Strengths

Regionally, the strongest brand in the Northeast this year was Curity with 27 percent of the mentions in that region. Lee followed with 22 percent, Pampers garnered 14 percent, and Spencer's, Huggies, Carter, Fruit of the Loom, Garanimals, Wrangler and Hanes rounded out the roster of brands receiving the most mentions by Northeastern store managers.

In the South, Wrangler, predictably, topped all brands with 18 percent of the mentions. But as in men's, Wrangler also picked up ground in the North Central region, up to 17 percent from 13 percent.

After Wrangler in the South, the next three best performers were Fruit of the Loom (16 percent), Garanimals and Lee (both with 14 percent), followed by Curity, Spencer's, Pampers, Huggies and Hanes.

Curity did well in the North Central states (22 percent), as did Lee and Pampers, both with 18 percent of mentions.

After Fruit of the Loom in the West, Carter was next with 12 percent and then Wrangler with 8 percent, followed by Hanes and Spencer's (both 6 percent), and then Pampers (4 percent) and Garanimals (3 percent).

Newcomers to the list, Pampers and Huggies displayed more strength in smaller size stores (60,000 square feet and less), while Fruit of the Loom and Curity did better in larger stores (over 100,000 square feet).

When asked for reasons why certain brands were among their best performing, store managers specifically cited Lee for its advertising. In contrast, not one manager advanced advertising as a reason for choosing Wrangler as among the top performers.

More than one-half of the managers responding to the question of why Wrangler was a top performing brand mentioned product quality as a reason, while only just over one-third said quality was the factor that contributed to Lee's success.

Overall in infants & toddlers and children's apparel, Wal-Mart appeared to be the most price sensitive: More than two of three of Wal-Mart store managers, when asked the most important reason why a brand was among their best performing, said it was because of its low prices.

The next most price sensitive chain was Zayre with just over one of three store managers citing low price as a reason for a brand's success. One of three K mart managers and just one out of four Target managers said low price was a reason why a brand was one of their best performing in the category.

HOW TO SOCKCEED IN BUSINESS

1. GET A FOOT IN THE DOOR.

Actually, get a lot of feet in the door. Offer a full line of socks for the whole family, from infants and toddlers to boys and girls and men and women. Socks for work and play and everything in-between.

2. TOE THE LINE ON PRICE.

Give people something that's so hard to find these days: real value. We've actually *lowered our prices* this year! And, of course, all Fruit of the Loom socks are well made in the USA. That way you'll be able to offer your customers the absolute best value in socks.

3. THINK ON YOUR FEET.

Figure out the best marketing program in the business. With more national advertising support than any other brand—to help you sell more. With fully funded consumer promotions and liberal co-op advertising—to help you sell more. With a great brand name that already has 98% awareness plus millions of dollars again being spent against it this year—to help you sell more.

4. MAKE THE COMPETITION HEAR FOOTSTEPS.

Don't settle for just being a player in the hosiery business. Set out to be the leader. First in value and first in sales. That's why we're making a commitment to you: to listen, to respond, to work with you every step of the way.

5. ALWAYS STAND FOR UNCOMPROMISING QUALITY.

Over the years, we've built the Fruit of the Loom brand name into one your customers can trust and depend on for superb value, every time. Especially with our unconditional guarantee. That's always been true for our underwear, and now it's equally true for our socks.

Sockcess is just a phone call away, call Customer Service at 1 (800) 334-9661.

FRUIT OF THE LOOM.
UNCONDITIONALLY GUARANTEED

FRUIT OF THE LOOM SOCKS.
QUALITY RUNS IN THE FAMILY RIGHT DOWN TO THE TOES.

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Top Brands Home Products

Leaders Hold Perch on Housewares Brands List

Nationwide DSN Report

While all other housewares vendor rankings were scrambled this year, the two dominant manufacturers, Rubbermaid and Corning, maintained their leading positions on *DSN's* 1987 Top Brands Survey.

The significantly different top 10 vendor roster can be attributed to several reasons. Acquisitions among top vendors was one factor that altered rankings. An apparent shift in consumer preference for relatively new product lines over established brands was another element that resulted in the new order.

Rubbermaid was singled out as the No. 1 brand in the housewares department. Four out of 10 managers surveyed in the Top Brands study cited the importance of the quality of the products and national brand name as the reason for its success.

Rubbermaid was far and away the No. 1 brand singled out in the housewares department, according to discount store managers who named the plastics vendor more often than any other vendor as the best performer in the category.

Rubbermaid's presence in everything from microwave cookware to waste paper baskets and serving utensils—all under a single brand name—no doubt encouraged the label's top-of-mind awareness. Established as the color trend leader in many discounter housewares departments, Rubbermaid outdistanced competing plastics manufacturers in this survey.

Like Rubbermaid, General Electric had long been part of the meat and potatoes of the housewares department. While it has been well over a year since General Electric sold its kitchen appliance business to power tool vendor Black & Decker, both names generated high mentions among those surveyed. The very sale of the appliance business appears to have stimulated brand performance recognition between 1986 and 1987.

Last year, General Electric was eighth place and Black & Decker was ninth place. And this year both brands tied for third place. Together with ninth-ranked Wearever Proctor-Silex, those brands were the only electric appliance vendors that made the top 10 roster.

Corelle moved from third place to fifth place and Visions—previously not on the chart—earned its way to sixth place, partially contributing to the drop in the ranking of Pyrex to 10th from seventh last year. The explosive growth of Visions indicates just how far truly new products can gain recognition in housewares within a short period of time.

While Pyrex is primarily for oven use and the majority of Visions pieces are intended for stove-top cooking, some overlap does exist and could have boosted Visions performance, as viewed by store managers, at the expense of the Pyrex brand.

"The clear, see-through, tempered glass offers visibility and the temperature of the pot itself does not heat up too much," one manager said about Visions, the brand he cited first as a top department performer.

Another manager said the fact that Visions is "easy to clean" and "can be used in a microwave oven " were other features that established Visions as a clear performance leader.

"See-through" quality was also noted as an attribute that helped garner a number of mentions for Pyrex. "A lot of people's parents had Pyrex so they want it," was another reason for the high number of its mentions.

Adding the Corning, Visions and Pyrex brand performance figures together brings the Corning company as a whole a much closer second to the Rubbermaid leader.

Anchor Hocking slipped from fifth place to seventh place. SilverStone coating by DuPont—not a brand of housewares but rather a brand of non-stick coating applied to a variety of branded goods—fell from fourth place to eighth place.

Wearever Proctor-Silex, a brand that did not make last year's top 10 roster, took ninth place among discount store managers.

K mart, Wal-Mart, Zayre and Target store managers each have their own idea of which brands work best in their housewares departments.

Corning's recognition among Target store managers was the most significant brand increase among the four chains whose results are broken out separately. Last year, Corning attracted less than one out of 10 mentions among Target managers. This year, one-fourth of the store managers at the Minneapolis-based upscale discounter mentioned Corning as among their best performing brands.

When asked what makes Rubbermaid and Corning top housewares department performers, store managers who cited those brands stressed

(Continued on page 80)

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Rubbermaid	48%	42%	62%
Corning	21	21	21
Black & Decker	13	11	17
General Electric	13	11	17
Corelle	12	13	7
Visions	10	13	5
Anchor Hocking	9	10	4
SilverStone	9	10	7
Proctor-Silex	8	7	11
Pyrex	8	7	10

Source: Discount Store News/Leo J. Shapiro & Assoc.

Non-electric housewares brands took seven of the 10 top spots on the DSN *Top Brands Survey. The Towers prototype, Dartsmouth, Nova Scotia, positions housewares across from home furnishings.* (DSN photo)

MARKETWATCH

ENCINO, Calif. — Discovery Associates, a financial management firm which last December purchased Leo's Stereo, a 44-store Southern California consumer electronics chain, announced it has restructured the terms of that acquisition and converted $1.5 million of its debt to equity. Discovery said it will pay the original management of the retailer $1.24 million in cash and release certain mutual claims including the termination of an arbitration proceeding against the sellers. In addition, it exchanged 1.48 million shares of its restricted common stock for a $1.5 million promissory note issued in connection with the acquisition of the $95 million chain. Leo's present management has agreed to new long-term employment contracts. "The immediate infusion of cash into Leo's Stereo and the reduction in future debt service requirements will have both immediate and future positive results," said Discovery chairman Harvey Bibicoff. In addition to operating small CE stores, Leo's also manufactures its own proprietary product lines.

* * *

MAHWAH, N.J. — **Sharp Electronics Corp.** has formed a Personal Home Office Electronics Division to consolidate efforts for such products as compact copiers, personal facsimile units, portable electronic typewriters, home medical equipment; consumer, scientific and financial calculators and low-end cash registers.

Home Video Product Sales

Product	1987 1st 8 months	1986 1st 8 months	Percent Change
Color TV	11,599,845	10,753,285	7.9%
Monochrome TV	1,932,038	2,323,584	(16.9)
Projection TV	159,407	168,152	(5.2)
Color TV with Stereo	2,205,120	1,705,461	29.3
Home VCR*	7,626,346	7,430,067	2.6

Shift in Consumer Preference Alters Top 10 Housewares List

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Rubbermaid	63%	50%	51%	25%
Corning	26	18	23	18
Black & Decker	14	7	12	23
General Electric	18	6	13	18
Corelle	10	9	15	11
Visions	6	14	12	6
Anchor Hocking	4	13	9	7
SilverStone	6	11	9	8
Proctor-Silex	10	6	9	9
Pyrex	8	9	7	9

Source: Discount Store News/Leo J. Shapiro & Assoc.

(Continued from page 79)

the importance of the quality of the products and the national brand names.

Half of those managers who mentioned Corning among their top performers said it was the quality of the merchandise that put Corning above the rest; four out of 10 who mentioned Rubbermaid also cited that reason. Of managers who mentioned the two leaders as among their best performing brands, roughly four out of 10 cited the importance of the national brand name as the reason for the success of either Rubbermaid or Corning in their stores.

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Rubbermaid	21%	66%	64%	49%
Corning	18	18	13	25
Black & Decker	14	—	4	15
General Electric	11	—	5	16
Corelle	15	28	—	7

Source: Discount Store News/Leo J. Shapiro & Assoc.

"Rubbermaid makes lasting goods; they seem to endure," was one comment representative of several responses from discount store managers surveyed in the study.

This is in marked contrast to some other categories of merchandise where low price, frequent advertising or line variety were integral to brand success. While these elements were also noted to be of importance in the housewares category, clearly performance hinged more on quality and name recognition.

Not only are the Rubbermaid and Corning brands atypical among other categories, they are also atypical among the other housewares brands that were cited as best performers.

Product Quality

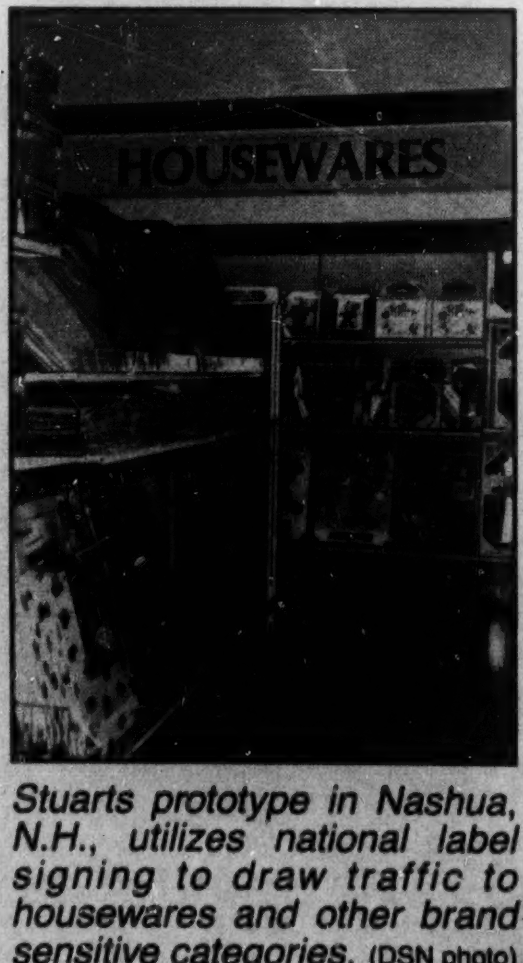
Product quality was a factor among less than a quarter of the votes for why a given name brand outdistanced others. The importance of having a national brand name was cited by less than three out of 10 of respondents overall.

Price plays a bigger role among other housewares brands, as far as store managers are concerned; more than a fourth of them attributed success of housewares brands to how much the item costs the consumer.

Brand performance figures by region indicated an overall fall in performance in the South, with the exception of GE, B&D, Anchor Hocking (which remained at last year's level) and chart newcomers Visions and Wearever Proctor-Silex.

Total top 10 brand name mentions also tumbled in the West. Northeast and North Central gains between 1986 and 1987 were tabulated for Rubbermaid, Corning, the electrics brands and Visions.

Among the brands that received considerable response from an individual chain, but not enough to make the top 10 roster, were Ekco and Mirro at Wal-Mart, Foley at K mart, Sterilite and Suburbanite at Zayre, and Norelco and Foley at Target.



Stuarts prototype in Nashua, N.H., utilizes national label signing to draw traffic to housewares and other brand sensitive categories. (DSN photo)

"SEE YOU AT THE SHOW!!!"

A Show designed for buyers

It's that time of year again–when everyone in the Housewares Industry starts preparing for *The Show.* There's only one. NHMA's Housewares Show, of course.

Actually, NHMA manufacturer members call it their "Customers' Show"–because of the way it has been designed for 1988. Every inch of the more than 730,000 square feet of product displays has been redesigned and newly decorated to showcase each of NHMA's six major display categories. This enables buyers to more easily locate and make contact with manufacturers. No longer will any category be divided between buildings. And no longer will buyers have to spend valuable time covering parts of three buildings, because we've consolidated into two.

Buyer advance Show organizer kits available

We're also releasing floor plans and a roster of all exhibitors and their booth locations, extra early this year. This means more than 14,000 buyers will be able to plan their movements, appointments and business long before their arrival in Chicago.

And, we're providing specific buyer lounges throughout McCormick Place so buyers from each class of trade will have their own rendezvous points to meet or find their peers.

New rendezvous points for buyers

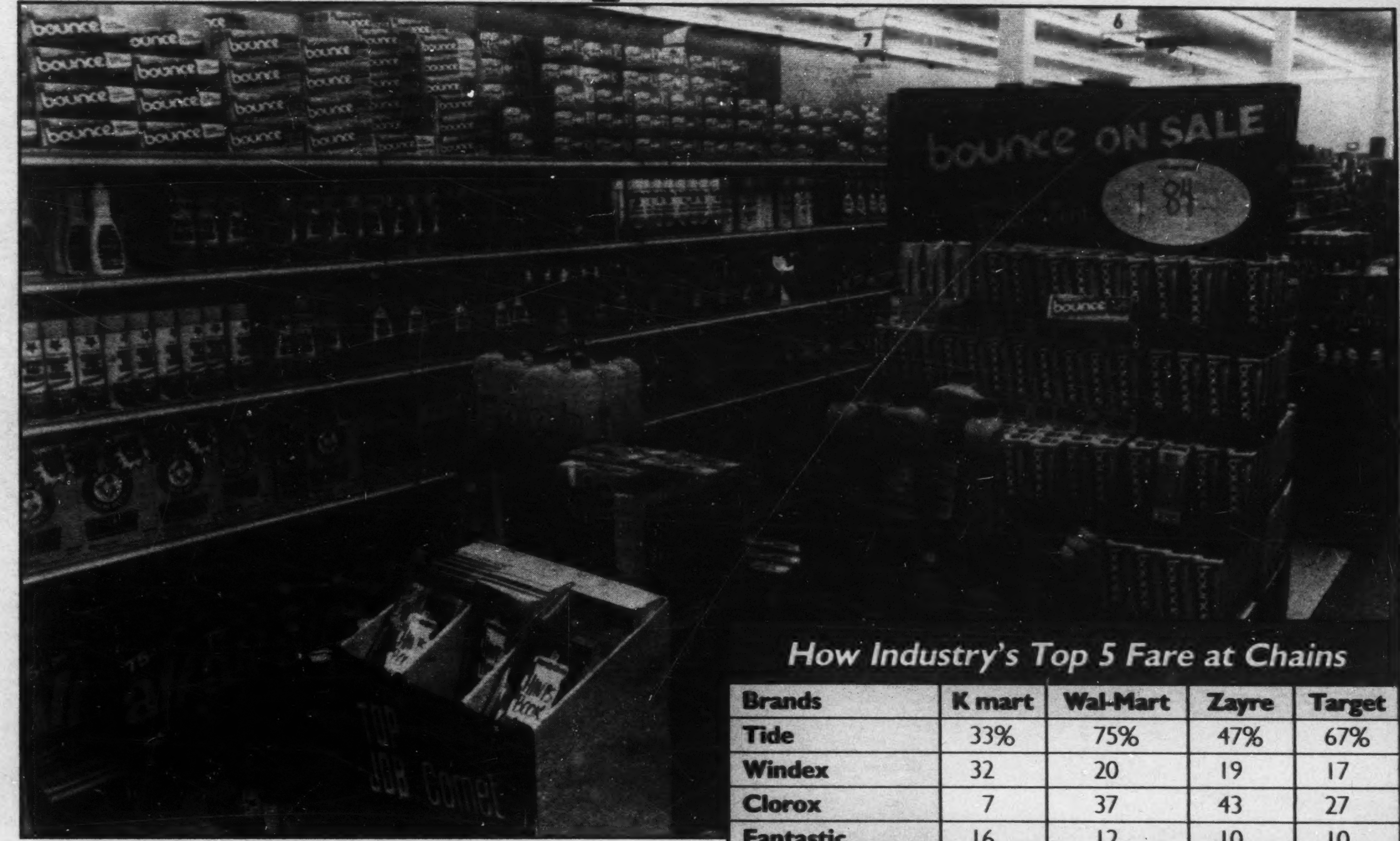
You see, NHMA wants to make certain the time and energy Housewares buyers commit to attending this world-class event are the most rewarding and gratifying they spend on business anywhere in the world.

So, now's the time to double-check your travel and hotel plans. NHMA's "Customers' Show" opens Sunday, January 10 through Wednesday, January 13.

See you at "The Show!!!"

NHMA NATIONAL HOUSEWARES MANUFACTURERS ASSOCIATION
1324 Merchandise Mart, Chicago, Illinois 60654-1273

Tide Scores Clean Sweep At Discount Stores



Household cleaners from laundry detergents to spot removers line discounters' shelves and sometimes crowd the aisles for quick sales and fast turns.

Nationwide DSN Report

Tide laundry detergent was again the No. 1 product on the top 10 list for household cleaners and chemicals, substantially outpacing its own 1986 performance in the *DSN* Top Brands Survey.

Research has again revealed that when store managers were asked what brand name products perform best in the household cleaners and chemicals department, Tide came out on top in every category sampled: by outlet, by specific retailer, by region of the country and by store size.

The product's weakest showing was in the Western region, where store managers rated Tide as performing equally as well as Windex. Both products were mentioned as top performers by three out of 10 managers surveyed in this region, which tied them for first place.

In every other instance, Tide not only outperformed the second place finisher, it did so by a large margin. In some instances, overall second-place finisher Windex was edged out by Clorox for the No. 2 position.

For example, more than half the upscale discounters surveyed mentioned Tide as the best performer in the household chemicals department, up from four of 10 managers in the 1986 survey. Windex came in second to Tide among these retailers with fewer than three in 10 mentioning the laundry detergent. And, Clorox was mentioned by two of every 10 managers surveyed.

Throughout the survey, Tide, Windex and Clorox received more prominent brand recognition by store managers as top sellers than they did in the 1986 study.

Among all discounters surveyed and among conventional discounters such as K mart, Wal-Mart and Zayre, Tide held substantial first place leads over Windex, which was the No. 2 brand. All discounters mentioned the Tide brand nearly half the time, whereas, Windex was named as a top performer by nearly one-quarter of the respondents.

More than 40 percent of conventional discounters said Tide was the top performer, up from three of 10 a year ago. Windex was mentioned by 23 percent of the surveyed store managers as a top selling brand, down five percentage points from last year.

The strength of the Tide brand in discount stores has been growing in the last few years, gaining more momentum recently because the popular laundry detergent is available in both liquid and powder form, observed Gene O'Donnell, vice president, hard lines at Hills Department Stores, Canton, Mass. The introduction of the liquid Tide only served to expand the market for the product, O'Donnell said.

Despite Tide's commanding lead in the household cleaners and chemicals category, it was not the only brand to increase its share of store manager attention.

Clorox, last year rated fifth on the top brands list, jumped two places in the 1987 survey to take the third place spot. Procter & Gamble, which held the third place spot last year, was represented in this year's survey by a number of its products, including Tide, Cheer, Dawn, Comet and Downey. If added together, Procter & Gamble products would have taken the No. 1 spot on this year's survey. More than six out of 10 discount store managers named one of that Cincinnati-based supplier's products as among their best performing brands.

Rounding out the top 10 brands was Fantastic in fourth place, up from sixth last year, followed by Dow, up two notches to fifth place; Lysol, down from fourth place; Cheer, which is new to the list; Dawn, also new to the list; Comet, new, too; and Formula 409, slipping from ninth place.

Coincidentally, Cheer, Dawn and Comet received just about the same rate of mention by store managers at conventional and upscale discounters. Both groups mentioned Cheer one of 10 times, about the same response rate for Comet and Dawn. Only upscalers gave Dawn a lower response rate, 6 percent.

The top five brands at K mart, Wal-Mart, Zayre and Target shaped up a little differently.

Dow received especially high marks from K mart managers, getting mentioned three of 10 times and earning it a No. 3 spot at that chain ahead of both Clorox and Fantastic, which rated higher in the overall results.

Tide and Windex drew about equal responses from K mart managers, who gave a slight edge to Tide. Clorox, the No. 3 brand overall, was a very distant fifth at the nation's largest discounter, with fewer than one in 10 K mart managers mentioning the liquid bleach as a top brand.

(Continued on page 134)

Special sale days can attract even larger crowds into household cleaners and chemicals departments as customers search the stores for their favorite brand name products. (DSN photos)

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Tide	33%	75%	47%	67%
Windex	32	20	19	17
Clorox	7	37	43	27
Fantastic	16	12	10	10
Dow	26	10	15	5

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Tide	45%	43%	51%
Windex	24	23	27
Clorox	22	22	23
Fantastic	12	12	14
Dow	12	15	5
Lysol	12	12	10
Cheer	10	10	10
Dawn	9	10	6
Comet	9	9	10
Formula 409	8	11	3

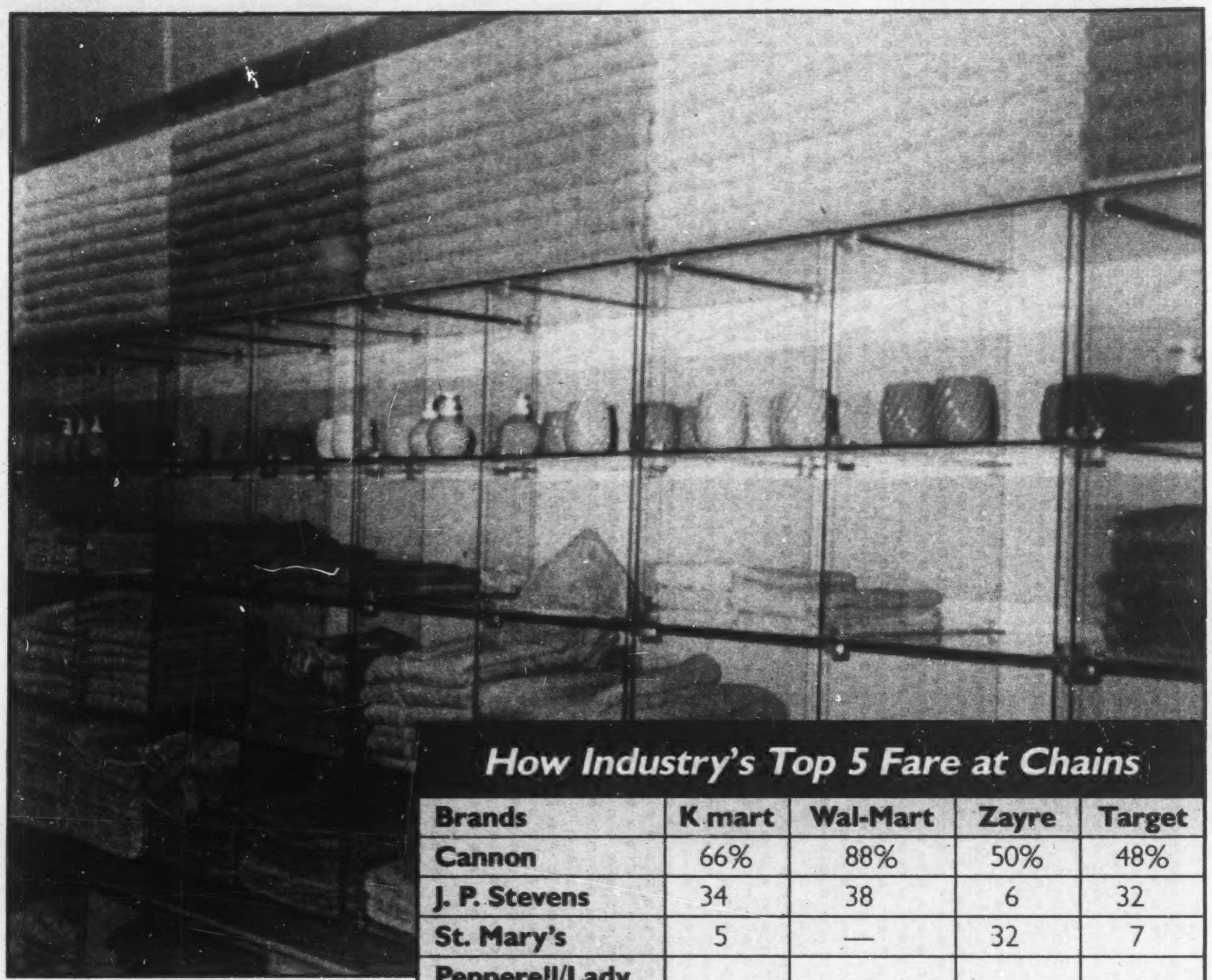
Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Tide	39%	46%	59%	29%
Windex	23	20	25	29
Clorox	25	31	20	8
Fantastic	14	14	9	15
Dow	10	9	10	21
Lysol	12	13	13	7
Cheer	10	8	10	16
Dawn	6	10	6	14
Comet	2	12	6	15
Formula 409	4	10	5	16

Source: Discount Store News/Leo J. Shapiro & Assoc.

Cannon, J.P. Stevens Lead Domestics Brands



How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Cannon	66%	88%	50%	48%
J. P. Stevens	34	38	6	32
St. Mary's	5	—	32	7
Pepperell/Lady Pepperell/West Point	6	—	17	12
Springs	7	6	10	10

Source: Discount Store News/Leo J. Shapiro & Assoc.

Nationwide DSN Report

The fortunes of the top 10 domestics brands dropped across the board in *DSN*'s 1987 Top Brands Survey of discount store managers.

Although the upper reaches of the top 10 (with the exception of Pepperell/Lady Pepperell/West Point) remained unchanged, support for each brand dropped significantly from 1986 levels. Those lower on the chart played a spirited game of musical chairs and generally also saw their net results drop.

Perennial leader Cannon retained its No. 1 rating of a year ago, but saw its popularity dip sharply with conventional discounters. J.P Stevens and St. Mary's, the second and third top brands, couldn't close the gap on Cannon, however, as their ratings, particularly with traditional discounters, slipped significantly.

On the other hand, Pepperell increased its standing with both conventional and upscale discounters to leap past Springs and Kenney's into fourth place. Springs upped its rating with upscalers but lost that gain and more with conventional discounters. Kenney's lost out in both categories, slipping to No. 7.

Dan River, the sole new entry on the chart (at No. 9), turned in a relatively strong showing. Demonstrating just how soft brand support has become, Santa Cruz actually slipped in overall support, yet rose from ninth to sixth place.

Cannon owed much of its rating to Wal-Mart managers, nine out of 10 of whom listed it as a top brand. K mart managers were also favorably impressed, with over 60 percent listing Cannon as among their top performers. Less than half of Zayre and upscale discount store managers mentioned the company.

Zayre managers paid little attention to J.P. Stevens, the second place finisher—which K mart, Wal-Mart and Target managers rated highly—but favored St. Mary's, Kenney's, Pepperell and Springs strongly. Those four brands finished second through fifth, respectively, at Zayre.

St. Mary's, Pepperell and Springs were also in vogue with upscale discounters other than Target, although Target managers gave Springs a higher rating than its final average.

Santa Cruz owed most of its strength to a high rating from K mart managers, although its Target rating was respectable. The brand was shut out entirely by managers at Wal-Mart and Zayre.

Pepperell/Lady Pepperell/West Point and St. Mary's shared almost identical support. Both did very well with Zayre and upscalers other than Target, received moderate support from Target managers, and were virtually shut out by K mart and Wal-Mart respondents.

Cannon was the hands-down winner in domestics top brands. Managers cited towel quality as a major factor in brand performance.

A Columbus, Ohio, Gold Circle merchandises Lady Pepperell (foreground) and Dan River (top shelf), each of which made gains in the 1987 Top Brands survey. (DSN photos)

Pepperell doubled its response rate with upscale discounters and was up 50 percent with conventional retailers.

Pepperell can also thank strong performance on the West Coast for its surge to fourth place. Although it improved its standing in all four regions, its support in the West showed the sharpest rise on the chart, a result aided immeasurably by the fact that the West virtually ignored Pepperell last year.

In contrast to Pepperell's performance, the three top brands did not fare as well out West. All three took it on the chin from Western discounters, with St. Mary's response rate dropping from 27 percent to 2 percent.

Cannon performed at near-1986 levels everywhere but in the West, where its rating dropped noticeably. J.P. Stevens' response rate dropped in both the South (probably due to its declining Wal-Mart fortunes) and the West, although it strengthened its Northeastern appeal significantly.

Burlington, in dropping from seventh to 10th place on the chart, also had the West to thank, as well as the North Central region.

Managers were generally optimistic about growth potential for domestics in the upcoming year, with 87 percent predicting at least some growth. However, a large minority felt that growth would be limited to 10 percent or less. Only about half of the survey respondents felt that growth in domestics would exceed 10 percent.

Among the optimists (10 percent sales growth or better), Cannon and Stevens both fared very well while St. Mary's showed less than its average support. The mild optimists (10 percent or less) gave all top brands a lower than average rating, while pessimists (market down or flat) gave Pepperell, Fieldcrest and Dan River very high ratings. St. Mary's also did well in the category.

When asked why they thought given brands had performed well in their stores, managers generally cited product quality for Cannon, Stevens and Pepperell. However, those who selected Cannon tended to credit a wider menu of attributes as integral to the brand's success than did those who selected one of the other brands.

The result was a lower rating for Cannon in the "quality product" category. Pepperell supporters, for instance, mentioned the brand's quality twice as often as did Cannon supporters. The same was true of the "low price" response. However, Cannon received strong support in areas in which the competing brands were sometimes not even mentioned, indicating a strong base of satisfaction among store managers.

For instance, those who mentioned Cannon first cited "sales/specials" and "wide variety" as factors contributing to Cannon's performance. Those who selected Stevens mentioned neither, while Pepperell received mentions in the "wide variety" category only.

Stevens and Pepperell ran

(Continued on page 134)

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Cannon	55%	58%	45%
J. P. Stevens	24	21	30
St. Mary's	14	10	24
Pepperell/Lady Pepperell/West Point	12	9	20
Springs	6	5	9
Santa Cruz	5	5	3
Kenney's	4	5	—
Fieldcrest	3	3	4
Dan River	3	4	1
Burlington	2	2	3

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Cannon	58%	64%	49%	46%
J. P. Stevens	26	23	30	16
St. Mary's	21	13	19	2
Pepperell/Lady Pepperell/West Point	20	7	12	13
Springs	6	8	9	—
Santa Cruz	—	8	4	6
Kenney's	4	4	2	6
Fieldcrest	2	2	3	8
Dan River	—	4	3	6
Burlington	4	3	2	1

Source: Discount Store News/Leo J. Shapiro & Assoc.

Advertising, Quality, Low Prices Determine CE Top Brands

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Emerson	31%	28%	39%
General Electric	31	30	35
RCA	22	28	7
Panasonic	21	21	22
Sony	16	14	22
Sharp	15	15	14
Soundesign	14	18	4
Goldstar	12	16	3
Sanyo	10	7	18
Samsung	10	7	19

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Emerson	20%	40%	44%	9%
General Electric	38	27	40	19
RCA	12	20	18	41
Panasonic	14	21	24	24
Sony	22	14	20	9
Sharp	24	8	11	24
Soundesign	14	13	15	16
Goldstar	14	15	12	6
Sanyo	19	6	8	14
Samsung	17	12	10	3

Source: Discount Store News/Leo J. Shapiro & Assoc.

Nationwide DSN Report

Emerson barely edged out General Electric as the brand most frequently cited by discount store managers as a best performing name in consumer electronics.

The two brands, separated by just one-tenth of a percentage point in *DSN's* 1987 Top Brands Survey, each attracted support from nearly a third of all discount store managers.

Emerson was mentioned by 31.4 percent of all discounters as a best performing brand compared to 31.3 percent who named General Electric.

> ***Both Emerson and General Electric, the top-rated CE brands, received the most support from upscale discounters, with less mentions from conventional discount store managers.***

The major push for Emerson came from upscale discounters. Thirty-nine percent of upscale discounters named Emerson as a best performing brand in their CE department, up from 26 percent a year ago.

However, conventional discounters gave Emerson fewer nods, just 28 percent this year compared to 40 percent in 1986. Emerson received the most attention from Wal-Mart store managers, with Target close behind.

The bulk of General Electric's support also came from upscale discounters, with 35 percent naming GE among its best performing brands, up from 22 percent a year ago. Conventional discounters, on the other hand, did not mention General Electric as frequently as they did last year. Only 30 percent of conventional discounters mentioned General Electric, down from 46 percent a year ago. Among discount store managers, General Electric received the most support from K mart managers.

RCA and Panasonic also switched positions from last year as RCA edged up into the No. 3 post, again only by a slight margin. Twenty-two percent of all discounters mentioned RCA as a top brand while 21 percent named Panasonic as such.

While Emerson and General Electric were most often mentioned by upscale discounters as top brands, RCA received more support from conventional discounters, rising to 28 percent from 25 percent last year and received less support from upscale discounters, dropping to 7 percent from 12 percent a year ago. By far, the majority of RCA's mentions came from K mart and Wal-Mart store managers.

(Continued on page 125)

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Advertising, Quality, Prices Criteria for CE

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Emerson	9%	69%	52%	63%
General Electric	36	20	30	29
RCA	50	43	2	2
Panasonic	12	48	8	40
Sony	12	25	12	13

Source: Discount Store News/Leo J. Shapiro & Assoc.

(Continued from page 90)

Panasonic, on the other hand, lost support from both conventional and upscale discounters. Panasonic was mentioned by only 21 percent of conventional discounters this year as one of their best performing brands, down from 29 percent last year. Only 22 percent of upscale discounters mentioned Panasonic compared to 28 percent last year. Wal-Mart and Target gave the brand the most mentions as a top brand.

Panasonic remained one step ahead of Sony, which again took the fifth position. Sony's support among conventional discounters remained steady at 14 percent, while upscale discounters who named Sony dropped from 26 percent to 22 percent this year. Wal-Mart was its biggest supporter this year.

Sharp remained in the sixth position with a decrease in total mentions by all discounters from 17 percent to 15 percent over last year. The drop came from upscale discounters as only 14 percent mentioning Sharp as a top brand, compared to 24 percent who did so a year ago.

Interest by store managers at conventional discounters slightly rose with 15 percent mentioning Sony as a top brand, up from 14 percent last year.

Soundesign was mentioned by 14 percent of store managers at all discounters as among their best performing brand names. The interest at conventional and upscale discounters remained level with last year.

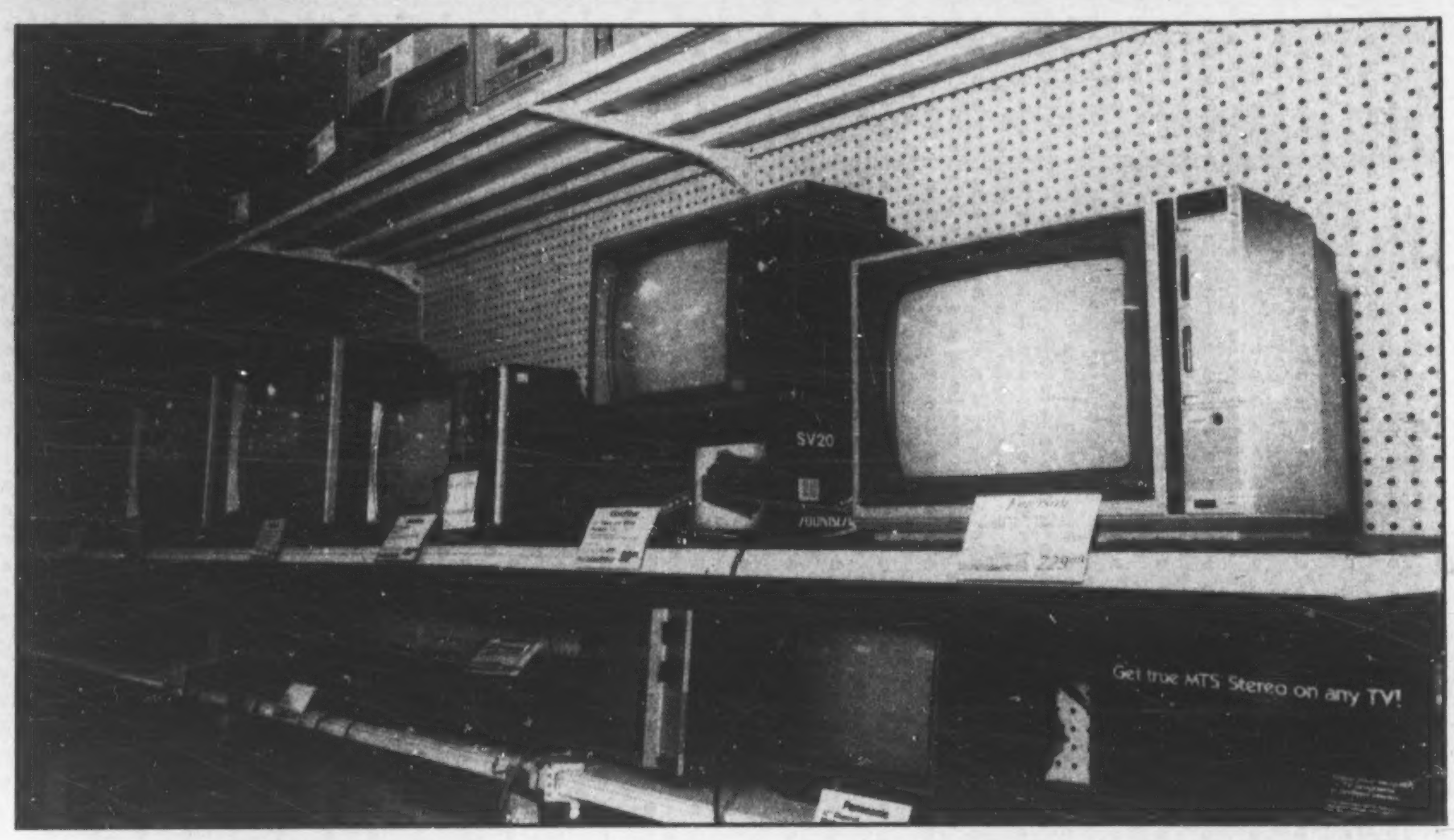
Goldstar jumped one slot into the eighth position with the same percentage (12 percent) of all discounters mentioning it as a top brand. Goldstar's performance at conventional and upscale discounters remained about the same as last year.

Sanyo slipped into the ninth position, with only 10 percent of all discounters mentioning it, down from 12 percent last year. Among conventional discounters, Sanyo's percentage of total mentions decreased from 9 percent to 7 percent, while at upscale discounters, its percentage of mentions fell from 19 percent to 18 percent.

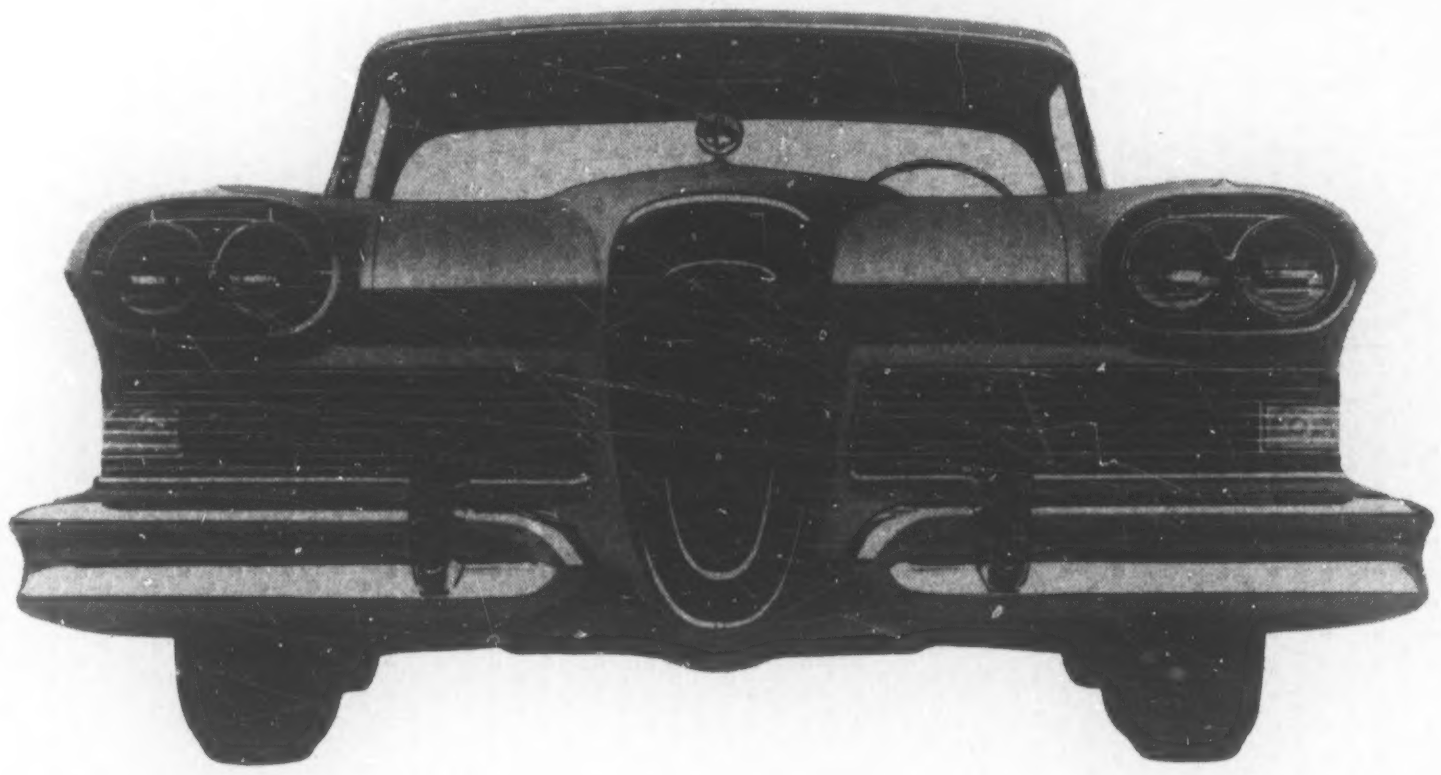
Samsung Joins Top 10

A newcomer to the top 10 CE brands was Samsung, which attracted attention from one of 10 discounters. Most of its support came from store managers at upscale discounters while only 7 percent of conventional discounters mentioned Samsung as among

(Continued on page 126)



Television sets at Jamesway: Emerson, Panasonic and Goldstar were often mentioned by store managers as among their best performing name brands. (DSN photo)



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Advertising, Quality, Low Prices Determine CE Top Brands

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CHECK US OUT
SANYO

Sanyo-branded CE products received more favorable mentions from managers of upscale discounter stores like Bradlees.

A very price-oriented category, store managers mentioned "low price" more often than any other factor as a reason for a name brand's success in the CE department. (DSN photos)

(Continued from page 125)

their best performing brands.

Emerson performed the best this year in the North Central region, rising from 35 percent last year to 44 percent this year. Growth slowed in the other three regions. The next best performing region for Emerson was the South followed by the Northeast and the West.

The North Central was also General Electric's best performing region for the second consecutive year. Growth slightly rose in the Northeast from 37 percent to 38 percent this year.

RCA's best performing region by far was the West, increasing from 19 percent to 41 percent this year. Panasonic fared better in the North Central and the West as its best two performing regions this year.

Brand performance for Sony was the best in the Northeast this year, followed by the North Central region, the South and the West. While growth slowed the most for Sony in the West, Sharp and Soundesign performed the best there.

Good, low prices was cited most often as the reason for brand performance.

The best performing region for Goldstar was the South while the best region for Sanyo and Samsung was the Northeast.

When asked why a particular brand was among their best performing, the most often mentioned reason cited by Target, Zayre and Wal-Mart store managers was "good, low prices." While K mart store managers named "good quality product" most often as a reason, "good, low prices" closely followed.

This supports the way the industry has been since its very beginning. Consumer electronics is a very price-oriented market. While CE chains are most often thought of as the most price competitive retailers in the consumer electronics business constantly guaranteeing "the lowest prices around," results indicate that full-line conventional and upscale discounters are not far behind.

Target, Zayre and Wal-Mart store managers named good quality products as the second most important reason why they selected the brands they did as top brands.

Of the store managers who cited General Electric as a top brand, most stated the reason for that selection was the company's heavy advertising. The majority of store managers who cited Emerson and Sharp as top brands all felt good, low prices was the reason behind those brands' success. Store managers cited good quality products most often as a reason for Panasonic's rating as a best performing brand.

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Kodak Still Champ in Store Brand Awareness

Nationwide DSN Report

Kodak, No. 1 in every category a year ago, was No. 1 again in *DSN*'s 1987 Top Brands Survey, although its margin was slimmer in some areas than a year ago.

Overall, however, Kodak had nearly double the mentions of Polaroid, its closest competitor, nearly three times the total number of mentions as a best performing brand than No. 3 Canon and nearly 10 times the support of Fuji in the No. 5 spot.

Top Five Brands Unchanged

Most of what changes there were in the rankings of photo and camera department brands were in the lower half of the top 10. The top five brands remained unchanged.

Keystone, the only new entry in the Top 10, knocked Eveready off the list and took over Vivitar's No. 9 spot. Vivitar slipped to No. 10.

Nikon, Pentax and 3M/Scotch shuffled their positions.

At K mart, Kodak was a big winner, with more than nine out of 10 managers interviewed mentioning the Rochester, N.Y.-based giant.

However, Polaroid racked up its highest rating at K mart, and Fuji nearly tripled its overall rating over a year ago.

The highest rating received by Kodak was from Wal-Mart with 94 percent. Polaroid also drew its strongest response with seven of 10 Wal-Mart managers mentioning the brand. Canon and Minolta, both with relatively strong showings at K mart, fell off dramatically in mentions at Wal-Mart.

Fuji, dropped by Wal-Mart during its Buy American blitz, rated barely a mention. However, 3M/Scotch placed a strong third, partially offsetting its omission by K mart.

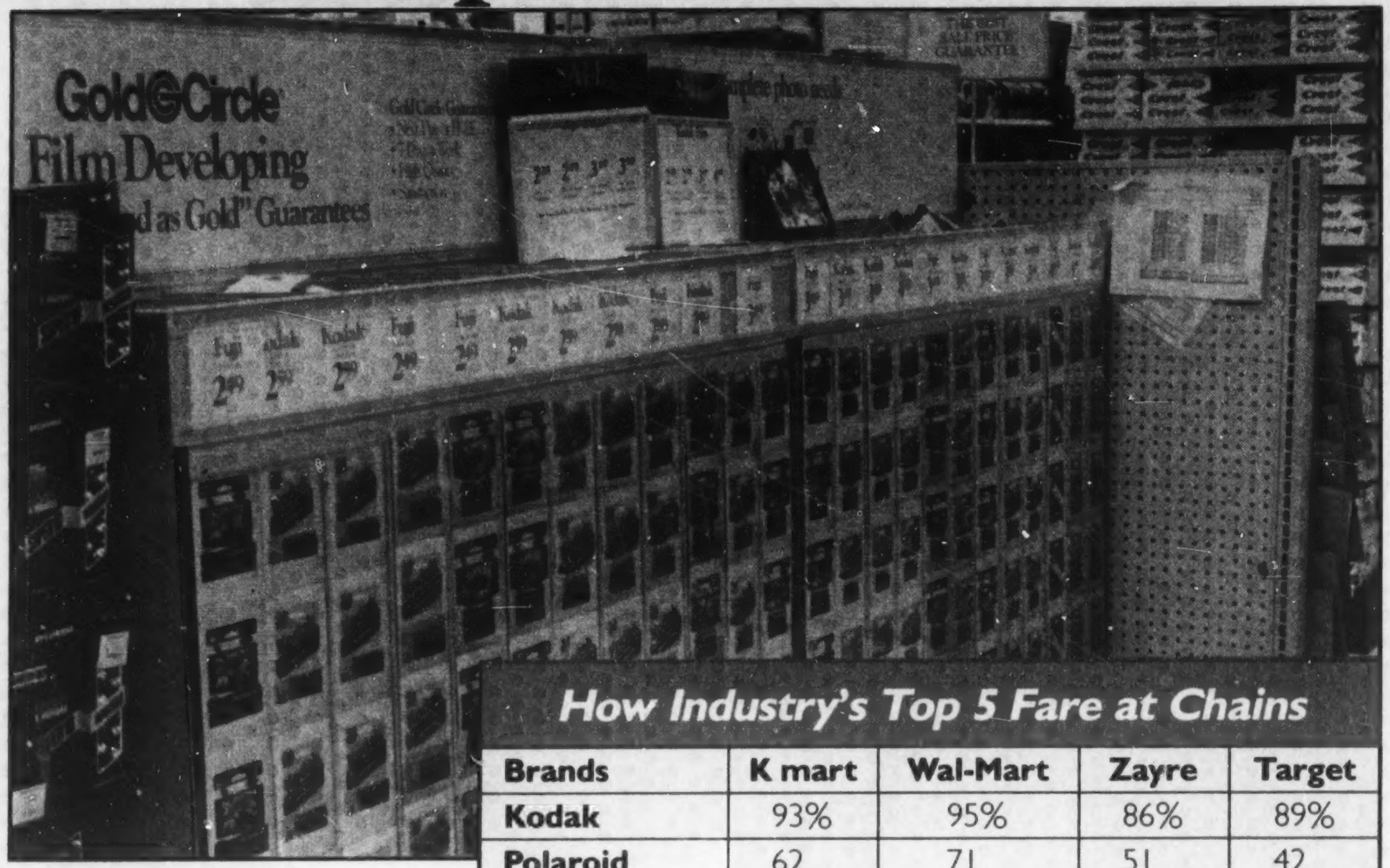
Kodak received the fewest mentions from Zayre, although the brand still finished a comfortable first. Polaroid also had a tough time on its home turf, rating only one-half of Zayre's mentions. Minolta and Vivitar, on the other hand, both made strong showings, rating third and fourth overall at Zayre.

The two top brands overall did not receive as many mentions from upscale discounters. Polaroid fell to the third ranking while Canon finished second. Minolta was stronger among upscale discounters than conventional discounters, as was Nikon, both aided by support from Target.

Kodak was the overwhelming winner in the store managers survey, but several managers indicated that Fuji was making inroads in the film market due to the clarity of the finished product and slightly lower prices.

Regionally, Kodak was weakest in the Northeast but still garnered mentions from eight of 10 store managers there. Canon performed well above its national average in the Northeast, with about one-third of respondents citing the brand. Fuji received little mention from Northeastern discounters.

The West was also a bit soft on Kodak, saving its laurels for Minolta, Fuji and Pentax, all of which performed well above their national averages. Vivitar and 3M/Scotch were not mentioned by any Western discounters.



How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Kodak	93%	95%	86%	89%
Polaroid	62	71	51	42
Canon	36	24	9	50
Minolta	34	18	23	33
Fuji	23	5	—	5

Source: Discount Store News/Leo J. Shapiro & Assoc.

According to the responses, Polaroid is at its most popular in the South, with over half of respondents mentioning the popular instant camera product. Other top 10 members received roughly national level support in the Southern region.

Kodak ruled the North Central region, with nearly nine out of every 10 responses citing the company. Canon, Minolta, Fuji and Vivitar also did better than their national averages.

Managers seemed unable to explain Kodak's overall brand strength. When asked about a variety of potential reasons for its performance, managers consistently rated at least two of the other top brands as better in any given category. For example, while many who chose Kodak cited its national brand posture as a reason, even more managers cited Polaroid's and Minolta's brand status as important to those companies.

Furthermore, a higher percentage of respondents cited good prices as a reason for the brand strength of Minolta than Kodak.

Both Polaroid and Canon were perceived as better advertisers and all three had higher ratings from managers on the question of quality. However, Kodak beat out the others in name recognition.

One of the most surprising results of the survey is that while Kodak lost ground very slightly overall, the next three most popular brands lost even more ground to the leader. Polaroid's rating dropped by nearly one-third among conventional discounters, while Canon and Minolta declined significantly across the board. Fuji and Nikon registered marginal gains, but everyone else in the top 10 lost ground.

Overall, the top-rated brands lost considerable ground, from a cumulative 277 percentage points in 1986 to 220 cumulative points in 1987, and no one outside the top 10 made up any of the slack. That may indicate some level of brand erosion in the marketplace.

A sampling of manager comments indicates that some, at least, have strong feelings about a few brands.

About Fuji, one manager said, "The clarity of Fuji film is much better than others and the price is very competitive."

Another manager called Kodak "a darn good company" and added, "The name of the company says quality."

Polaroid was lauded for being "the only company with instant film, which people like."

Vivitar was cited for its "real nice packaging and travel kit."

In growth for the past year, managers generally felt that the number of brand names in their stores had not grown. Kodak was a strong performer in number of mentions by both those who felt there had been growth and those who didn't. Over eight of 10 in both categories listed Kodak as a top performing brand.

However, those who projected growth gave Polaroid and Fuji far better ratings. 3M/Scotch also performed well in this breakout.

This year's surge in camera and film sales is reflected in sales forecasts made by store managers, who overwhelmingly (over 90 percent) felt the category would increase its sales. Nearly half thought the increase would be by 10 percent or better.

Relative to its overall rating, Polaroid had the largest differential between those who named it a top brand (47 percent) and those who expected it to grow by more than 10 percent (54 percent). Most others performed at or slightly above their overall ratings in this category except, surprisingly, Kodak, which actually dropped one-fifth of a percentage point.

Kodak, which racked up its usual 80 percent-plus rating in positive sales forecasts, also was named a top performing brand by nearly 80 percent of those who thought sales would hold at 1986 levels at best.

Store Size Consistency

Managers of large, medium and small stores were fairly consistent in their brand name ratings. Kodak received almost even ratings across the spectrum, although the managers of larger stores were a bit less enthusiastic than those in the other sizes. Canon did very well in large and medium-size stores, but smaller stores gave it a one in five rating. Minolta also underperformed in smaller (under 60,000 square feet) outlets.

Fuji was clearly more favored by medium size (under 100,000 square feet) store managers, while managers of larger stores gave it a low rating. Nikon garnered strong support from the medium size segment, but was virtually ignored by small stores.

Although there were few surprises in this year's survey, the surge in sales this year indicates that there may be a few next year. By then, the results should be in on new products like disposable cameras and the rising sales of recent innovations like dual lens "automatic" cameras will have created an even greater impact on the market.

More important, perhaps, will be the success (or lack thereof) of the challenge to Kodak's dominance mounted by brands like Konica, Fuji and Agfa, and Kodak's response with new products to meet the competition.

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Kodak	84%	84%	83%
Polaroid	47	50	39
Canon	29	24	41
Minolta	24	22	31
Fuji	9	12	4
Nikon	8	6	14
Pentax	6	8	3
3M/Scotch	5	6	4
Keystone	4	4	3
Vivitar	3	3	1

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Kodak	81%	83%	88%	82%
Polaroid	45	54	42	44
Canon	37	23	34	26
Minolta	24	19	28	28
Fuji	—	11	12	11
Nikon	6	8	12	6
Pentax	8	4	5	12
3M/Scotch	4	6	8	—
Keystone	4	6	1	6
Vivitar	2	3	4	—

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Four Brand Names Hold Steady In Personal Care Appliance Category

Nationwide DSN Report

While Conair, Clairol, General Electric and Vidal Sassoon maintained the top four spots in brand performance in *DSN*'s 1987 Top Brands Survey, retailers' anti-rebate policies and new UL safety guidelines could significantly shuffle the lineup of personal care brands next year.

Recently, K mart decided to stop stocking its shelves with rebated merchandise in personal care departments. The discounter's ruling is already causing other retailers to consider less drastic anti-rebate measures.

This year's survey suggests that store managers do not believe that manufacturer rebates significantly affect whether a specific brand is a top personal care appliance department performer or not.

Vendors who have relied heavily on rebates to generate high sales volume could tumble from the annual Top Brands Survey in 1988 if they are remiss in providing alternative marketing and promotional strategies.

New Safety Features

The impact of the new UL (Underwriters Laboratories) guideline governing safety features on hand-held hair driers,which went into effect Oct. 1, could also result in a dramatically different top 10 listing next year, depending on whether price, styling or ease of use was negatively changed by the new standard.

The UL ordered all hand-held hair driers to have a safety mechanism which would make it safe to submerge the unit in water while plugged into an electric socket, when not in the "on" position.

Despite the sale of General Electric's small appliance business to Black & Decker over a year ago, the GE name continues to have top of mind awareness among the ranks of discount store managers surveyed. GE's percentage ranking did, however, fall in the four regions charted and at the K mart, Wal-Mart, Zayre and Target stores.

Black & Decker, ranked sixth in 1986, rose to the No. 5 rank this year.

It would appear that K mart's decision to eliminate appliances that offer rebates could already have trickled down to store level and impacted the way managers think of particular brands. K mart managers' mention of all of the top five brands except the Black & Decker name fell between 1986 and 1987. Vidal Sassoon remained essentially unchanged.

Black & Decker is one of the few manufacturers which has announced it will be eliminating rebates.

While Wal-Mart has not yet voiced its official view on K mart's rebate stand, the same downward trend in the number of store manager mentions of the top five brands is also true at this

(Continued on page 131)

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Conair	60%	68%	80%	46%
Clairol	18	31	13	34
General Electric	31	25	16	32
Vidal Sassoon	4	24	16	52
Black & Decker	24	8	3	20

Source: Discount Store News/Leo J. Shapiro & Assoc.

Towers, Dartsmouth, Nova Scotia, offers a wide selection of U.S. and Canadian personal care appliances. Brand name recognition was said to be an important performance criteria. (DSN photo)

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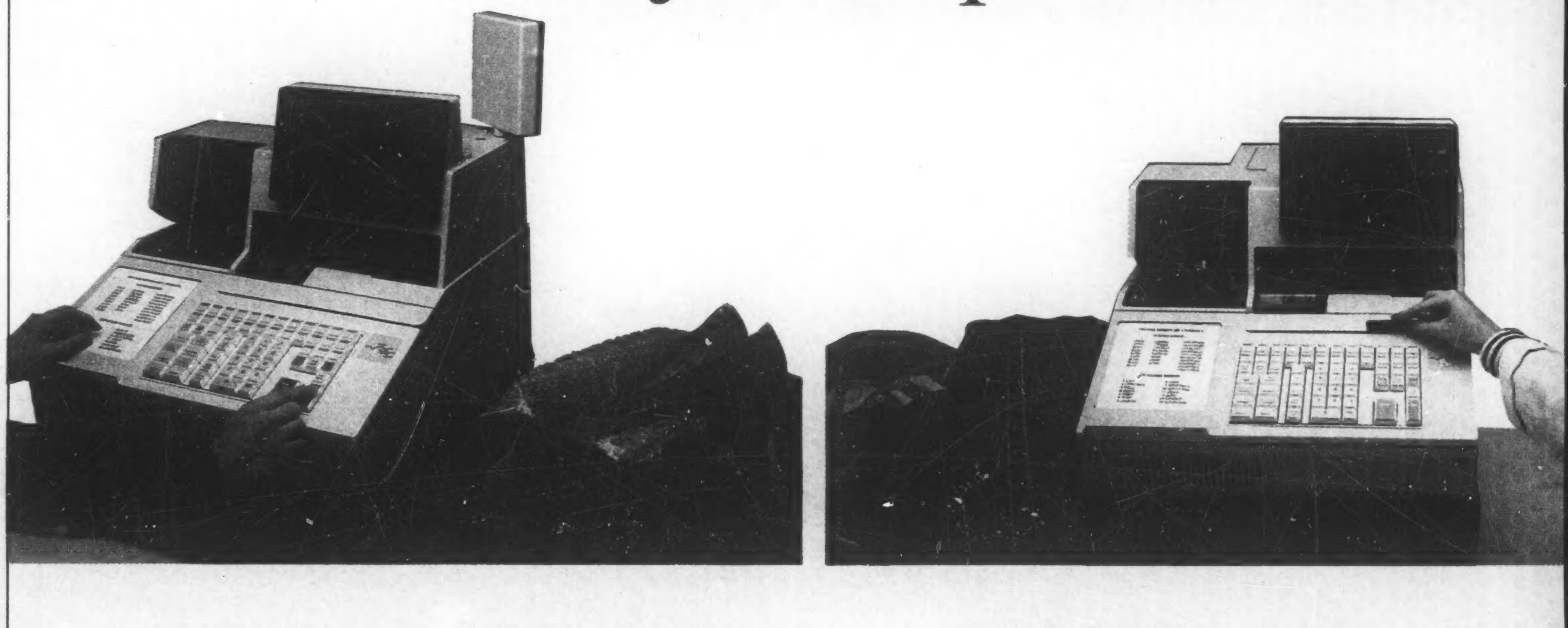

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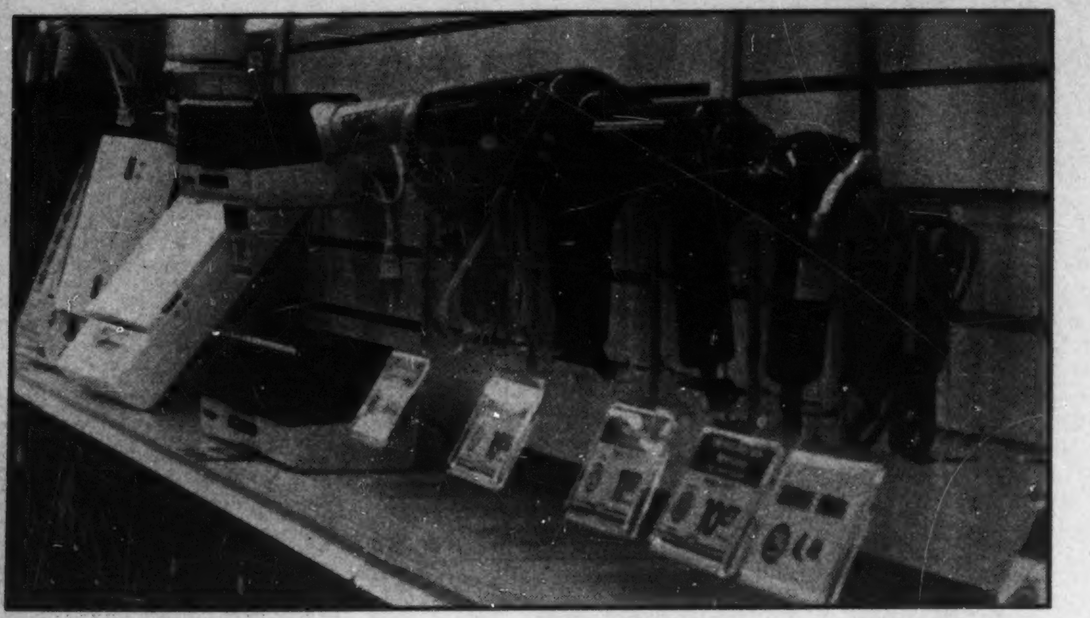


The availability of a wide selection under the same appliance brand label as shown in Hills, Miamisburg, Ohio, was thought to be a factor in brand performance by store managers. (DSN photo)

Discounters' Anti-Rebate Programs Could Shift Personal Care Leaders

(Continued from page 130)

chain, except for Black & Decker.

Although Wearever Proctor-Silex does not manufacture personal care appliances, its well-known name in kitchen appliances has evidently become associated with other types of appliances as well. The maker of popcorn makers, juicers, coffee makers and bakeware was mentioned by 4 percent of the managers surveyed as being a personal care department leader.

Mentions of Conair increased at both Zayre and Target. Zayre managers said Conair was one of their best performers more frequently than last year. Conair's response rate nearly doubled among Target managers with about half mentioning Conair as a top brand.

Upscale chains, in general, mentioned Conair, Vidal Sassoon and Black & Decker more often this year as top personal care department performers. Conventional discounters mentioned all of the top 10 brands less often this year than last year, as private label appliances and smaller vendors took a portion of mentions away from the bigger suppliers.

Pricing Seen as Important

Store managers listed some of the reasons why they labeled a particular brand as one of their best performers in personal care appliances. The reasons they cited most often were: good/low product pricing, the fact that the product carries a national brand name, and the advertising support devoted to the brand by the manufacturer. Each of these performance attributes were mentioned by roughly a quarter of all managers surveyed.

Whether or not the brand offered rebates, consumer rebates were considered unimportant by each of the four chains whose responses were broken out separately—K mart, Wal-Mart, Zayre and Target—and by the overall survey population. Rebates received fewer than 7 percent of mentions among the individual chains as well as among the survey group as a whole.

K mart store manager responses were in line with the overall average. Each reason (low pricing, national name, advertising support) received mentions from about 25 percent of the chain's managers.

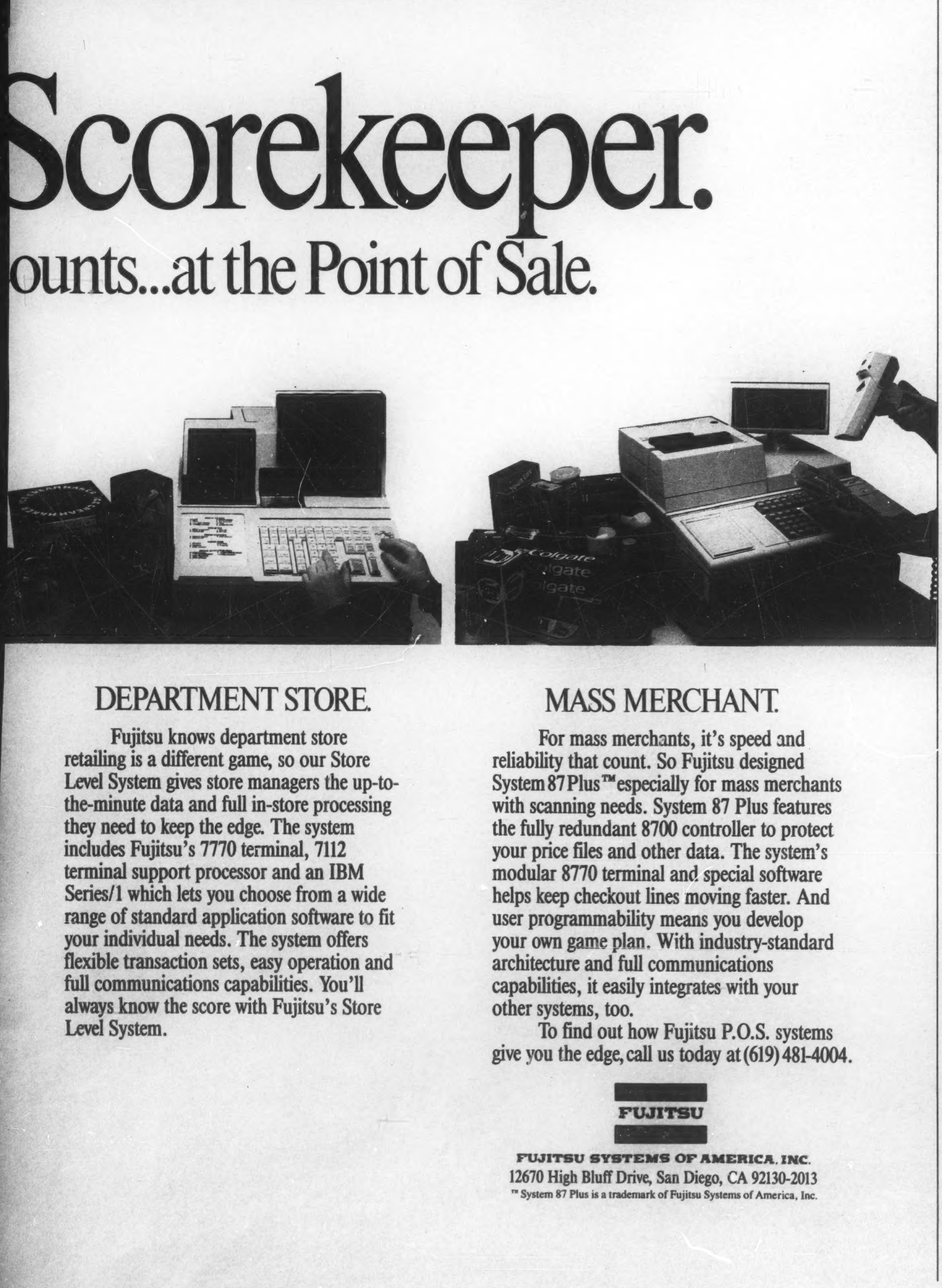
Wal-Mart managers in all product categories rated advertising low as an important reason for a brand's success. However, in personal care, Wal-Mart managers placed greater importance on advertising, with nearly half of them saying that vendor ads are a primary ingredient of success. Managers at that chain also gave several mentions citing the diversity of products the brand offers. Nearly a quarter said the large assortment of products available with the specific brand help create a top performer.

Target managers appeared to place more importance on the national brand name aspect of the product, with more than half mentioning this element as an attribute of top performers in personal care. Pricing, advertising and good product quality were also cited as reasons for success.

Zayre's responses were more scattered among several reasons, with price, brand names and advertising receiving about the same number of mentions as good product quality and "only brand carried," as reasons for the success of a top performing brand name.

The reasons for a brand's success varied among the four major regions of the country. In the Northeast and South, manufacturer advertising was

(Continued on page 134)



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Frito-Lay Jumps to Top Spot in Food Category

Nationwide DSN Report

Frito-Lay emerged as the most frequently mentioned top performing brand in the food, candy and snacks category in this year's *DSN* Top Brands Survey.

The snack food brand was followed closely by Hershey's, Brach's, M&M and Planters in the number of mentions by discount store managers as being among their best performing brands in this category. Mars, Snickers, Sathers, Nabisco and Coke made up the balance of the top 10 brands in that order.

Thirty-five percent of all the store managers polled named Frito-Lay as among their top performing brands. Hershey's, Brach's and M&M were all no further than six percentage points behind Frito-Lay.

The survey this year confirmed that for discounters food, candy and snacks continue to be a lucrative category with very strong brand name recognition in the field.

A number of brands have substantial penetration in the market—nine different brands were named by at least 10 percent of respondents as among their best performers.

Despite the plethora of individual product names, food, candy and snacks are dominated by a relatively small group of big players: M&M/Mars, Hershey's/Reeses and Frito-Lay.

In fact, all the M&M/Mars brands combined were mentioned by 61 percent of the managers surveyed. Hersey's brands combined were mentioned by 32 percent of the managers surveyed.

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Frito-Lay	35%	31%	42%
Hershey's	30	28	37
Brach's	29	30	27
M&M	29	30	26
Planters	27	23	38
Mars	20	16	31
Snickers	17	19	13
Sathers	13	19	—
Nabisco	10	11	9
Coke	8	6	13

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Frito-Lay	35%	31%	39%	33%
Hershey's	41	31	32	16
Brach's	30	29	35	20
M&M	37	29	32	15
Planters	43	20	29	19
Mars	21	19	25	13
Snickers	10	22	17	17
Sathers	2	12	8	34
Nabisco	12	11	9	10
Coke	2	9	15	1

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

How Top 5 Brands Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Frito-Lay	38%	52%	46%	49%
Hershey's	25	23	34	27
Brach's	37	45	18	8
M&M	34	40	38	21
Planters	25	21	34	32

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Coke and Pepsi have a strong presence at discount stores, but received fewer mentions from managers than the food and candy brands. Coke was ranked 10th this year, down from eighth in 1986, and Pepsi, which ranked 10th last year, received the 11th highest percentage of mentions this year.

In fact, of the 36 brands mentioned by store managers as among their best performing brands in this department, almost half were candy. Six were beverages. The balance consisted of potato and corn chips, nuts and cookies and cake brands.

The only "food" brand to make the top 10 list this year was Nabisco, which came in ninth with one in 10 store managers naming Nabisco as among their best performing brands. Last year, Nabisco was ranked seventh.

Nearly two-thirds of all store managers surveyed named a brand from M&M/Mars, makers of M&M's, Mars, Snickers, Milky Way and Three Musketeers, as a best performer in the food, candy and snacks category.

Food items merchandised along the aisles generally are grouped in sections according to whether they are a staple item or a snack food, such as nuts and gift boxes of candy. (DSN photo)

Slightly more than one-third of the respondents said Frito-Lay, makers of Fritos corn chips and Lays potato chips, is among their best performing brand names.

And Hershey's/Reeses, makers of Hershey's chocolate bars and Reeses Pieces and peanut butter cups, was mentioned by almost one-third of the managers polled.

These three companies perform well at both conventional discount stores and at upscale stores. But all three brands, especially M&M/Mars, received more mentions from upscalers than from conventional store managers.

According to survey results, nearly seven of 10 upscale store managers said M&M/Mars was among the best performers in their stores compared to slightly less than six of 10 at conventional discounters. Three-fourths of the Target managers surveyed cited M&M/Mars as a best performer in the department.

More than four out of 10 upscaler store managers named Frito-Lay among their best performing candy, food and snack brands, compared to three of 10 conventional discounters.

Hershey's/Reeses was said to be among the best performers by four out of 10 upscale store managers, but was mentioned by only a little more than one-quarter of conventional discount managers.

When asked to name their best performing brands in the food, candy and snacks department, managers at both conventional and upscale stores mentioned Frito-Lay most often. Among individual chains, K mart, Wal-Mart, Zayre and Target managers most often cited Frito-Lay as among their best performers.

Frito-Lay held a very slim margin over Brach's and M&M for the No. 1 rank among conventional discount store managers. Among upscale store managers, Frito-Lay was stronger than Hershey's and Planters, being mentioned more often by 42 percent of the store managers polled compared to 37 percent for both of the other brands. Mar's was ranked fourth, followed by Brach's, M&M, Coke, Snickers and Nabisco, in that order.

At Target, Frito-Lay was mentioned by half the chain's store managers as among their best performers in the category. Planter's was mentioned by about one-third of the Target managers. Hershey's was the next most often mentioned brand by Target managers, with more than one-quarter naming it as among their best performing brands.

Frito-Lay held a slightly stronger position at K mart than Brach's. Slightly less than four out of 10 K mart managers mentioned one of those brands as among their best performing in the category. More than one-third of the K mart respondents named M&M among their best performing brands, while one-fourth of the managers cited either Hershey's or Planters.

The greatest percentage of managers from one chain to name Frito-Lay as among their best performing brands was at Wal-Mart, where it was cited by more than half of the managers polled. Brach's was mentioned by almost half the Wal-Mart managers as among their best performing brands, and four of 10 Wal-Mart managers said M&M is a top performing brand. Hershey's and Planters attracted mentions from slightly more than two in 10 of the Wal-Mart managers responding to the survey.

Nearly half the Zayre managers surveyed mentioned Frito-Lay as one of their best performing brands, while nearly four out of 10 Zayre managers mentioned M&M as a top brand in the food, candy and snacks category. Both Planters and Hershey's received responses from one-third of the Zayre managers.

Generally, retailers report the biggest reason particular brands sell best is because the brand is nationally recognized and manufacturers support the product with a lot of advertising. Price considerations was the third most often mentioned factor that caused a brand to be considered one of the department's best performers.

Personal Preference

Verbatim comments by managers surveyed followed one theme primarily: taste. And much of the evaluation was based on personal preferences. A number of the candy bars were said to "taste good" but one store manager said one of the brands he sells is "the best candy bar you can eat. It's my favorite."

Interestingly, the most often mentioned brand overall, Frito-Lay, did not dominate any individual region of the country. In fact, only in the North Central region did the potato and corn chip company receive more mentions than any other brand.

Planters received the most mentions in the Northeast with more than four in 10 managers naming the famous peanut company as among their top performing brands.

Frito-Lay and Hershey's each attracted mentions from less than one-third of the store managers in the South.

In the Southern region, only two percentage points separated those two brands from M&M and Brach's, which also tied in the number of responses they received from Southern store managers.

Slightly less than three out of 10 managers in the South named those two candy labels as among their best performing brands in the category.

Western-based retailers gave Sathers the top honors in the food, candy and snack category in their region, with Frito-Lay second.

Tide Scores Clean Sweep with Discount Store Managers

(Continued from page 84)

Clorox's best placing was at Zayre, where it received a very strong second place spot behind Tide, rivaling the top brand for the No. 1 spot.

At Zayre, Tide was mentioned as a top brand performer in the household cleaners and chemicals department by nearly half the manager respondents, compared to more than four in 10 for Clorox.

Windex dropped to a distant third at Zayre—and at Wal-Mart and Target, too—with Dow coming in fourth with a 15 percent rate of mention followed by Fantastic with a one in 10 response rate.

Wal-Mart managers gave Tide its most impressive showing with nearly eight of 10 naming the laundry detergent as the top brand in the category, sweeping past Windex, which held the top spot a year ago, and Clorox, which was in second place.

Wal-Mart managers still report that Windex and Clorox are top sellers in the household cleaners and chemicals department, but substantially fewer cited that brand in 1987 than in 1986.

Windex fell from the No. 1 spot at Wal-Mart to No. 3 with only two managers in 10 mentioning it as a top performer, down from nearly five of 10 last year.

Fantastic and Dow, fourth and fifth respectively, each received about one in 10 responses—strong showings for their debut as top performing brands among discounters.

At Target, Tide's commanding first place position got even stronger, from six in 10 mentioning the laundry detergent as a best seller last year to more than two-thirds saying so this year. Clorox's No. 2 spot was also strengthened, from less than one-quarter of the Target managers listing it as a best seller in 1986 to nearly three of 10 this year.

No. 3 Windex went from a response rate of slightly more than a one in 10 to nearly two in 10. Fantastic was named by one of every 10 Target managers as a top brand, giving it a fourth place position at the upscale discounter, which is double the response rate of No. 5 ranked Dow.

Regionally, Tide was the top performer in the Northeast and South, followed by Clorox. Clorox was named as a top brand by one-quarter of Northeastern store managers surveyed and by nearly one-third of those in the South.

Windex held its No. 2 ranking in the North Central region with Clorox following close behind.

The poorest showing for Clorox was in the West, where it was mentioned less often than Dow, Formula 409, Cheer, Comet, Fantastic and Dawn.

After the top three products, positioning in the Northeast is as follows: Fantastic, Lysol, Cheer, Dow, Dawn, Formula 409 and Comet.

In the South, the fourth through 10th spots were held by Fantastic, Lysol, Comet, Dawn, Formula 409, Dow and Cheer.

In the North Central states, the top three of Tide, Windex and Clorox were followed by Lysol, Dow, Cheer, Fantastic, Dawn, Comet and Formula 409.

Some of the shifting preferences among retailers, regions and outlet type could be linked to the large number of household cleaners and chemicals on the market today.

When store managers were asked what their top performing brands were, they named a total of 45 different products. Additionally, they identified some manufacturers as brand names and their answers also included private label products and "other" mentions.

According to the managers polled, specific household cleaners and chemicals are successful because they are heavily advertised and carry substantial national brand name recognition. Price is a third consideration and company reputation and rebates are considered almost negligible for sales and popularity.

IVORY SNOW
CLOROX
Downy
Tide

In some cases, traditional household cleaners like laundry detergent, bleach and fabric softener provide the link between departments such as domestics and paper products. (DSN photo)

Cannon and J.P. Stevens Lead Domestics Brands

(Continued from page 89)

head-to-head with Cannon in the "national brand" category, a major surprise, given Cannon's high profile with consumers. Stevens and Cannon were apparently equally popular with retailers who only carry one brand.

In verbatim comments, however, Cannon clearly had a significant edge over the competition. "They're up-to-date on styles, colors and patterns and they have low prices," one manager said of Cannon. "It is a good quality towel with a good color scheme," another said. A third added that its material was a key: "Polyester and cotton create a strong fiber."

Those who preferred J.P. Stevens noted its national brand status and reputation for quality. "They make quality merchandise at a reasonable price—and the products are made in America," one manager noted.

Another manager favored St. Mary's, saying that it was "produced in the area, which cuts down on freight charges." A Pepperell afficionado noted that Lady Pepperell "does well in towels; it is a good quality towel at a good price."

Manager responses by store size were, as a rule, very comparable to responses as a whole. Cannon slipped a bit with managers of large (over 100,000 square feet) stores, but made up the difference with slightly above average performances with medium size (under 100,000 square feet) and small (under 60,000 square feet) stores.

St. Mary's and Springs each turned in strong showings with medium size outlets, but apart from those mentioned, results were generally within a few percentage points of each brand's overall performance.

Top Four Brands Hold Steady in Personal Care Appliances

(Continued from page 131)

of most importance. In the North Central region, national brand name was seen as most significant. In the West, price was by far the single most frequently mentioned attribute of strong department performance, with mentions by four out of 10 Western region discount store managers.

The top 10 personal care brands received lower percentages of mentions among Western and Southern store managers, but fared better in the Northeast and North Central regions overall.

Among the verbal responses the study provided on the top brands were a long list of praises for both the Conair and Vidal Sassoon brands.

"The packaging is good and it is well promoted on TV and in the store," one manager said about Conair. Another said, "The quality is good and the price is right. People seldom return the items because of repair needs."

Vidal Sassoon received similar comments regarding its product quality, advertising and pricing.

Certain other personal care brands were mentioned by a considerable percentage of store managers at a particular chain, but not by enough of the total population surveyed to be included in the top 10 ranking for the category. Brands that fell into this category included Sunbeam and Remington, which were mentioned by roughly 15 percent of store managers at Wal-Mart.

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Conair	56%	57%	53%
Clairol	25	20	38
General Electric	25	26	23
Vidal Sassoon	21	13	41
Black & Decker	15	15	14
Norelco	7	7	7
Jerri Redding	7	9	—
Windmere	6	8	2
Proctor-Silex	4	5	3
Sunbeam	3	3	3

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Conair	68%	57%	55%	43%
Clairol	20	27	31	18
General Electric	18	22	28	30
Vidal Sassoon	20	18	30	14
Black & Decker	18	13	10	20
Norelco	4	6	12	3
Jerri Redding	—	4	7	16
Windmere	—	9	7	6
Proctor-Silex	2	10	2	1
Sunbeam	4	4	4	1

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands

Hard Lines

Motor Oils Dominate Top Automotives Brands

Nationwide DSN Report

Motor oils increased their dominance of the top 10 brands in the automotive departments of discount stores, accounting for six of the top spots in this year's Top Brands Survey, compared to five in last year's report.

Including products associated with oils, such as Fram oil filters and STP oil treatment, oil and oil-related brands accounted for eight of 10 top brands that store managers cited in the 1987 *DSN* survey.

The ranking of the top five: Quaker State, again the leader, Pennzoil, Fram, Havoline and Valvoline.

Rankings of first, second and third remain unchanged from last year's survey. But Havoline moved up a notch to fourth from fifth and Valvoline rose two places to fifth from seventh. Their gains came as the expense of Prestone, which slipped to sixth from fourth.

Largely because of a mild winter, antifreeze sales for the entire industry slumped 18 percent last year.

Rounding out the top 10 were: STP, No. 7; Castrol, No. 8; Turtle Wax, No. 9; and AC-Delco, No. 10.

The growing importance of oil and oil-related products among the top 10 brands appear to reflect the increasing complexity of cars that often limits the do-it-yourself options for many motorists to changing their oil and polishing their cars. Other indicators of that trend: Turtle Wax rose to No. 9 in the top 10 this year from No. 11 last year, while Champion slipped to No. 13 from eighth place.

Turtle Wax crept into ninth place from No. 11 in 1986, reflecting increased activity in waxes and chemicals as the do-it-yourself movement peaks. (DSN photo)

Because of electronic ignition, spark plugs are lasting longer, prompting Champion to diversify into filters and belts and to lend its logo for a joint battery marketing effort with GNB. Results of such diversification, however, would have come too late to be reflected in the 1987 brands survey, conducted in June.

Performance for No. 1 Quaker State was fairly uniform by region: about five out of 10 managers in the South, North Central and West regions named Quaker State as among their stores' best performing brands. In the Northeast, Quaker State's standing improved to more than six out of 10.

Similarly, the standing of Quaker State in the minds of store managers was fairly uniform between upscale discounters, 50 percent of whom mentioned the brand, and conventional discounters, 56 percent of whom mentioned Quaker State, for an average among all discounters of 54 percent.

But among individual chains, Quaker State fared best at Zayre, 72 percent, followed by: K mart, 65 percent; Wal-Mart, 56 percent; and Target, 41 percent.

On the other hand, Pennzoil got mentioned as a top performing brand by just 5 percent of Zayre managers, compared to: 59 percent of Wal-Mart's, 58 percent of Target's, and 39 percent of K mart's.

By region, Pennzoil made its strongest showing in the West, mentioned by 59 percent of respondents, followed by: 40 percent in the North Central region, 27 percent in the South and 8 percent in the Northeast region.

Valvoline also showed wide variation by region and chain. Regionally, its standing ranged from 30 percent of total mentions in the North Central to 8 percent in the Northeast. Among the four representative chains, Valvoline ranked best at Target, with 41 percent of that chain's managers, and worst at Wal-Mart, garnering just 9 percent of the Bentonville, Ark.-based discounter's managers.

The most widely varying changes in the standing of a top brand among regions and individual chains between the 1986 and 1987 surveys occurred with Prestone.

In the Northeast region, for instance, Prestone was mentioned as a top performing brand by 10 percent of store managers queried, a decline from 37 percent in 1986. And at Wal-Mart, which honored Prestone as its vendor of the quarter for its second quarter, the antifreeze's ranking as a top brand fell to 15 percent of managers from 48 percent of managers in the survey for 1986.

A Prestone marketing executive said he cannot understand the slippage among Wal-Mart managers, given that shipments of Prestone to the chain in the eight months of 1987 were triple the level of the same span in the previous year.

As for brand performance among fast-growing retailers, about six out of 10 managers who expect their stores to register a sales gain of 10 percent or more in the coming year mentioned Quaker State as a top performing brand; about four of 10 cited

(Continued on page 140)

Top Brands Vary by Type of Outlet

	All Discounters	Conventional Discounters	Upscale Discounters
[illegible]	54%	56%	50%
[illegible]	34	36	31
[illegible]	26	24	32
[illegible]	21	23	13
[illegible]	17	14	23
[illegible]	12	11	12
[illegible]	11	13	5
[illegible]	11	9	14
[illegible]	8	8	9
[illegible]	6	3	15

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
[illegible]	65%	50%	53%	53%
[illegible]	8	27	40	59
[illegible]	31	25	25	25
[illegible]	14	30	19	16
[illegible]	8	14	30	9
[illegible]	10	14	13	7
[illegible]	10	12	11	12
[illegible]	21	14	4	6
[illegible]	16	6	4	12
[illegible]	12	2	10	1

Source: Discount Store News/Leo J. Shapiro & Assoc.

MARKETWATCH

GREENSBORO, N.C. — Next year, the nation's largest discount retailer, **K mart**, will have its name on one of the oldest professional golf tournaments in the country. K mart became the first titled sponsor in the history of the Greater Greensboro Open. And for its efforts, the discounting giant will have the event, the third oldest golf tournament on the Professional Golfer's Association tour, known as the K mart Greater Greensboro Open. K mart will sponsor the event, which will have a purse totaling $1 million—$180,000 for the winner—for three years, beginning in spring of 1988. The first of the K mart Greater Greensboro Open's will be played March 31 through April 5.

* * *

CHICAGO — The **National Association of Service Merchandising** (NASM) reported that its 67 distributor members generated more than $5 billion in sales last year in health & beauty aids and general merchandise, according to the results of its recently concluded ninth annual census. These sales were based on reportings from 105,700 outlets, including discount and variety stores. NASM, which represents wholesale distributors of non-food items, found that of the more than 40 categories of merchandise surveyed the largest increases were in cosmetics, ethnic toiletries, lightbulbs and batteries.

* * *

NORTH DIGHTON, Mass. — Intense competition in its New England and upstate New York markets helped precipitate quarterly sales and earnings declines at **Mars Stores**, operators of 20 Mars discount department stores and two Gaynes department stores. For the quarter ended Aug. 1, Mars reported a net loss of $535,000 or 24 cents a share compared to a gain of $117,900 or 5 cents a share for the same period a year ago. Sales for the quarter fell from $25.6 million to $24.7 million. For the half, sales fell from $47.1 million to $45.1 million.

* * *

PHILADELPHIA — **The Pep Boys—Manny, Moe and Jack**—reported that for the quarter ended August 1 it recorded both sales and income gains. In fact, income outpaced sales by more than two to one. For the quarter, net income rose 29 percent to a record $11.9 million, equal to 21 cents a share, from $9.2 million and 17 cents a share in the year-earlier period. Sales increased 12.9 percent to a record $141.5 million from $125.3 million.

Oil, Oil-Related Products Dominate Listings for Top Automotives Brands

(Continued from page 139)

Pennzoil; less than three out of 10 named Fram; and about two out of 10 mentioned Havoline and Valvoline.

The reasons managers gave when asked why the brands they name came out on top clustered around two responses: heavy advertising and low prices.

In the advertising category, about a third of those surveyed gave credit to heavy advertising for the success of a top brand. Among the discounting giants, though, the percentage varied enormously: 39 percent at K mart, compared to 12 percent at Walmart, which relies less on heavy advertising and more on everyday low pricing.

And in the West, 66 percent of managers credited heavy advertising for the success of top brands, compared to 12 percent in the South.

Of those managers who credited heavy advertising as the most important reason for the success of top brands, more than four out of 10 are carrying more national brands than they did last year. Of those who cited low prices, more than three out of 10 are carrying more national brands.

As the most important reason for the success of top brands, Wal-Mart managers cited having a national, name brand 28 percent of the time and having low prices 20 percent of the time, compared to 12 percent who cited heavy advertising.

At K mart, the figures were 44 percent for having a low price and 20 percent for having a nationally known brand name, compared to 39 percent for heavy advertising

Other success factors, such as having a quality product that consumers deem safe, and being an old-line company that stands behind its warranty, got so little credit from managers that the results are statistically meaningless.

Amplifying on their category responses, managers made these comments about why they thought Quaker State is a top brand: "Their prices and sales, and it is a nationally advertised name brand."

"It is a name brand and is a good quality sale item."

Managers said this about Pennzoil: "It is highly rated in a consumer magazine, and the public is aware of it. They have monthly sales."

"Most in demand, prices, and it is a name brand."

As for the success of Fram as a top brand, managers said the reasons why are: "Nice packaging and colors that are striking."

"The customer keeps buying this product more than the others in the store."

Of Havoline, one manager commented: "It is the No. 1 selling motor oil, and we do a lot of in-store promotion."

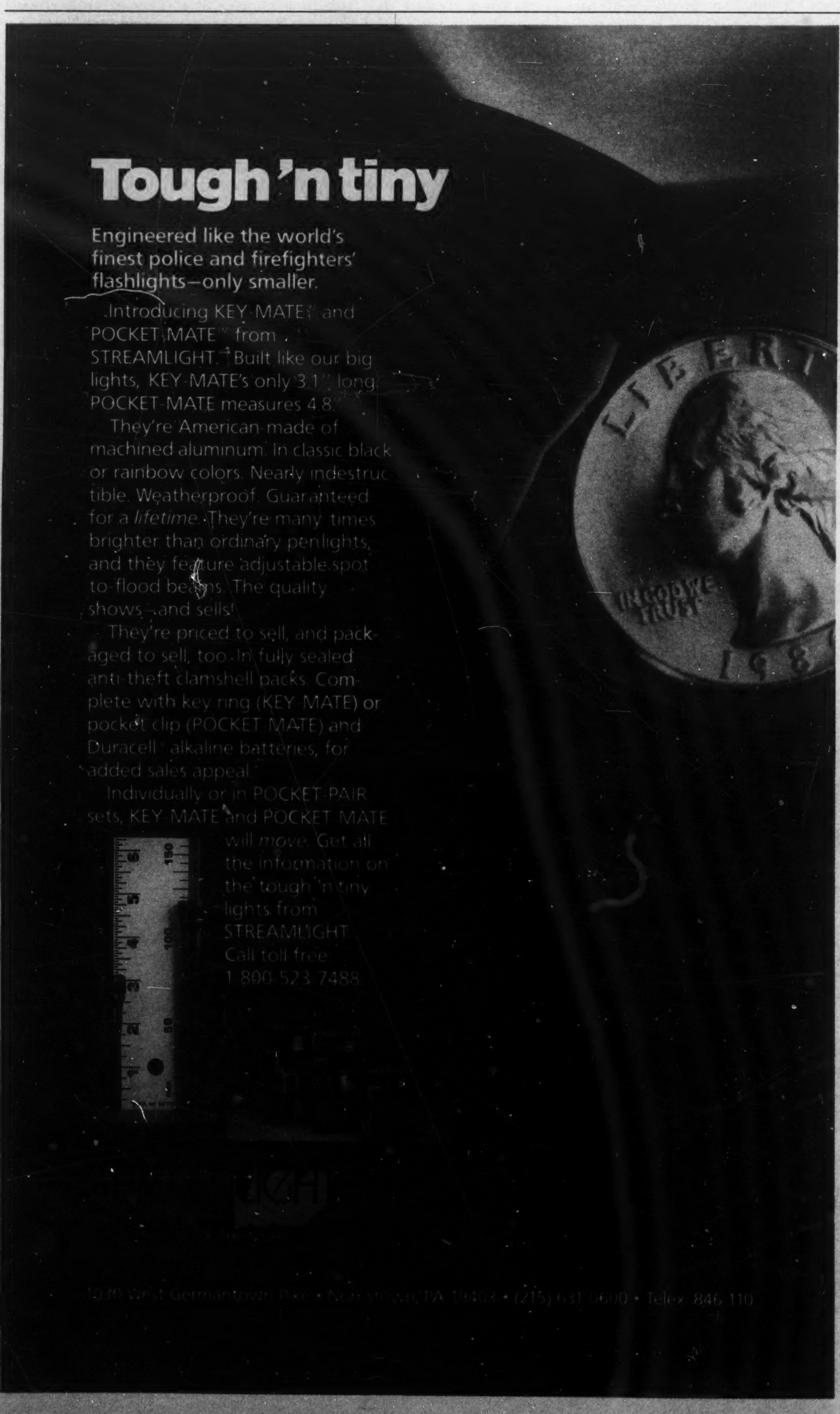
Another manager said this about why Valvoline was a top brand: "It is a name brand and the sales and advertising."

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Quaker State	65%	56%	72%	41%
Pennzoil	39	59	5	58
Fram	17	30	45	40
Havoline	22	45	24	18
Valvoline	10	9	29	41

Source: Discount Store News/Leo J. Shapiro & Assoc.

Fram products at Ames: Closely associated with oil, Fram retained its rank as No. 3 among top brands. Including such oil-related brands, oils captured eight out of the 10 top spots. (DSN photo)



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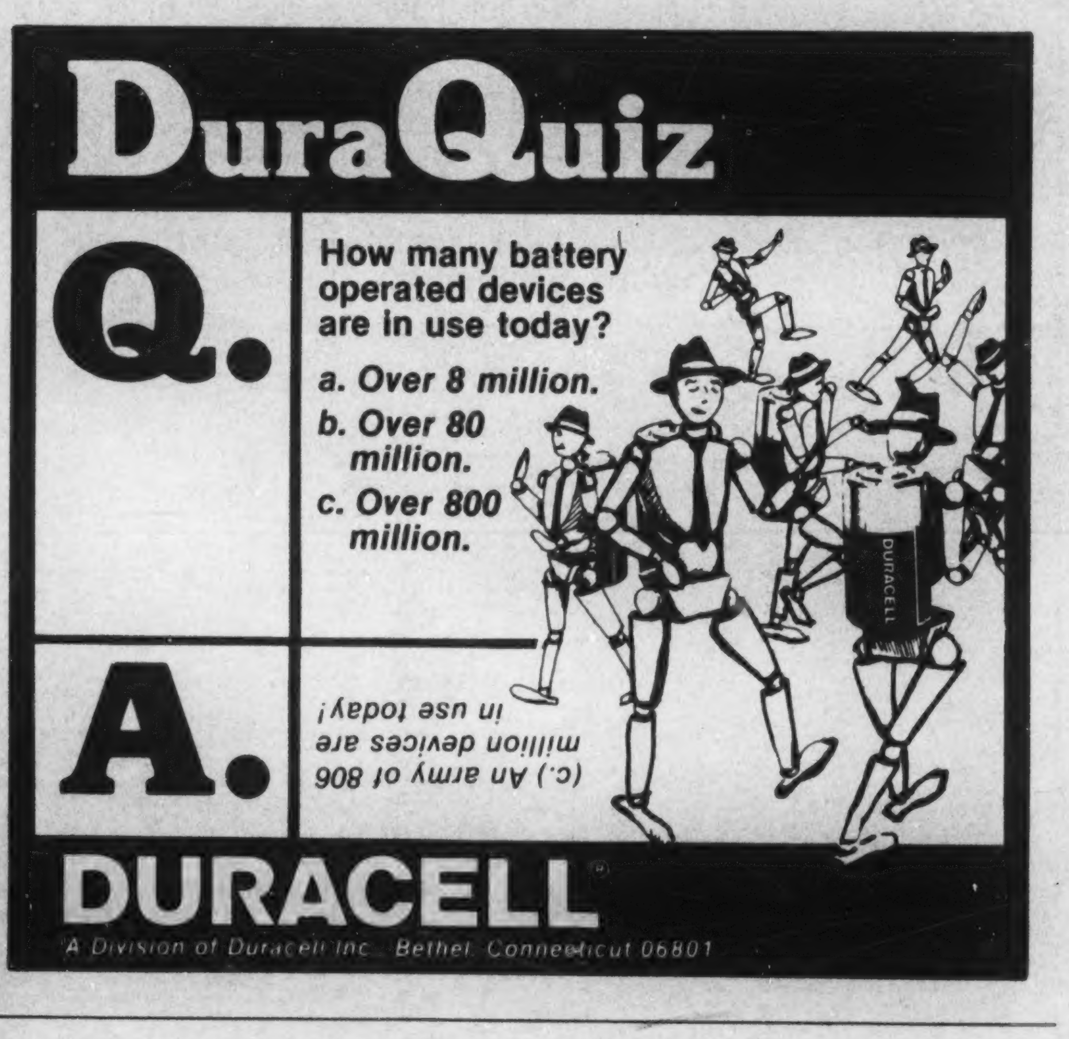

DuraQuiz

Q. How many battery operated devices are in use today?
a. Over 8 million.
b. Over 80 million.
c. Over 800 million.

A. (c.) An army of 806 million devices are in use today!

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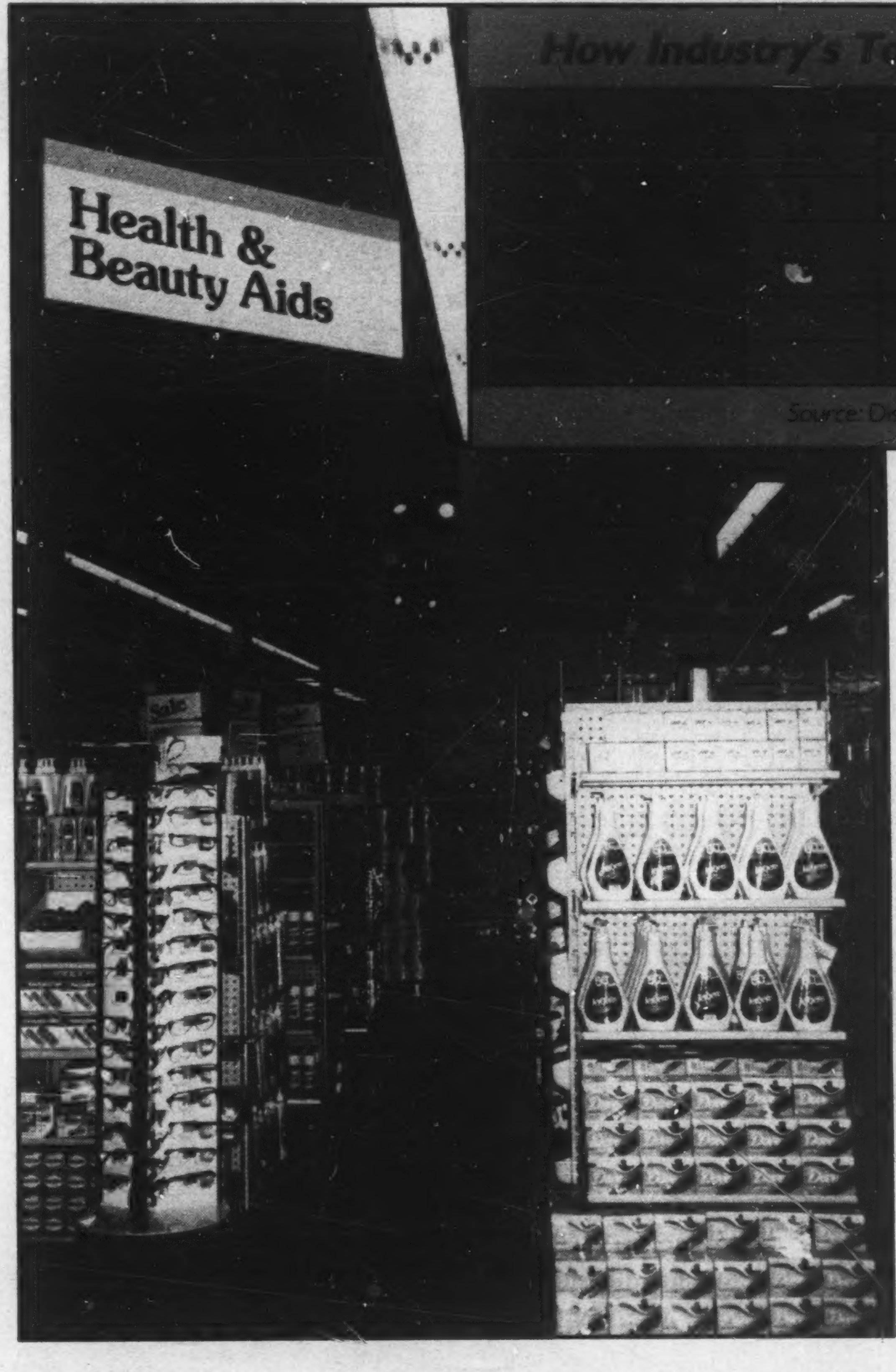
Toothpaste Brands Still Strongest in H&BA

Nationwide DSN Report

The need to carry a wide variety of brands and sizes at sharp prices in health & beauty aids was reflected in the responses generated by discount store managers across the country.

Nearly 60 different brand names were mentioned as being top performers by managers polled during *DSN*'s 1987 Top Brands Survey, the largest number of top brand candidates mentioned within any single discounter department. In fact, nearly twice as many brand names were mentioned in the health & beauty aids department than in several of the other departments included in the annual *DSN* survey.

Nearly 60 different brand names were mentioned as being among the top performing H&BA brands—the largest number of top brand candidates nominated by discount store managers within any single department.



How Industry's Top 5 Fare at Chains

Source: Discount Store News/Leo J. Shapiro & Assoc.

Despite the abundance of in-store H&BA promotions, store managers surveyed indicated that such promos were not essential for top brand performance.

Across the board, many H&BA top brands registered lower percentages of mentions this year than in 1986. Rather than a reflection of poor performance among the individual H&BA brands, the lower figures are perhaps more attributable to the enormous pool of national labels that competed with the top 10 brands for recognition at discount chains.

The top two brands—Crest and Colgate—not only held their top spots from last year, but also generated more mentions than during 1986. The relatively recent launch of tartar control formulas no doubt improved overall performance of the toothpaste labels.

Crest rose six percentage points among all discounters, with about an equal gain among conventional discount chains like K mart, Wal-Mart and Zayre and upscale chains like Target.

Colgate gained three percentage points overall, dropping a single percentage point among conventional chains but gaining 12 points among upscale discounters.

Johnson & Johnson held the third slot, maintaining last year's percentage figures. Listerine, ranked eighth among top performers in 1986, jumped to the No. 4 position, due to gains in mentions at both the conventional discount chains and upscale discount outlets. Competitor Scope mouthwash, which did not make the top 10 list last year, took Listerine's former spot as No. 8.

Among four of the top discount chains—K mart, Wal-Mart, Zayre and Target—Crest gained the largest increase in mentions from Zayre. Store managers at that chain cited Crest as among its top health & beauty aids performers more frequently than last year.

Colgate's largest vote gain came from Target. Last year, one-third of store managers mentioned Colgate as among its best H&BA performers. This year, Colgate received mentions from one-half the Target managers surveyed.

J&J slipped at both K mart and Target but was mentioned more often by Wal-Mart and Zayre managers.

The ingredients for success in the health & beauty aids department fell into three primary areas, according to store managers. Overall, one-third of those surveyed said that the fact that a manufacturer invests a substantial amount of capital in advertising support is one factor that pushes a brand to the top.

The fact that the brand name is known nationally was also mentioned by one-third of those surveyed as being an important brand element. Pricing was considered to be somewhat less of a factor, despite the highly promotional nature of the H&BA department.

One-quarter of the managers cited price as an attribute of their top performers. Product quality, store promotions, product positioning within the store, the way it is displayed or merchandised and manufacturer rebates were mentioned by anywhere from 1 percent to no more than 10 percent of those surveyed.

At K mart, pricing was considered more important than the national brand name, but vendor advertising support was in accordance with the average respondent who said ads were of most importance.

Wal-Mart managers said pricing was equally important to vendor ad support but that national brand recognition was the most significant attribute the leading department performer required.

Half of the managers mentioned national brand name, compared to just over one-third who cited both manufacturer ads and pricing.

Zayre asserted brand name as the most important reason for a brand's success. Half of the Zayre respondents cited this reason.

One-third of the Zayre managers said vendor advertising was a primary attribute of the brand leader, and one-fourth said low pricing was essential.

As one might expect of an upscaler like Target, low price received fewer mentions from its managers than the managers at the conventional chains. Only 15 percent of Target store managers offered low price as a reason why a brand was a leader in H&BA. The importance of the national brand name was mentioned by one-quarter of the Target managers surveyed.

One out of 10 managers at Wal-Mart and Target mentioned product quality as a reason for high brand performance. Relatively fewer store managers at both K mart and Zayre believed product quality was of as much importance in brand performance.

While each of the four discount chains had their reasons why they thought top performers earned that status, the leading brands—Crest, Colgate and Johnson & Johnson—were governed by somewhat different criteria.

In-store promotions for Crest were believed to be integral to the success of that brand, as was its location in the store and the way the product is presented and displayed. Each of these reasons were considered to be of little or no importance among top H&BA brands in general.

No Substitutes

In addition to these reasons, Colgate was also seen to be a top performer because it's a brand shoppers request by name, a product line for which the shopper does not want a substitute.

Johnson & Johnson was also cited as a brand that people request by name. In-store promotion was also considered to be of primary importance by store managers who named Johnson & Johnson a best performing brand.

Unlike all other brand names listed on the top 10, Johnson & Johnson was also considered to be a top performer in the H&BA department because it is an established company, one that the consumer has been accustomed to seeing for a long time.

Quotes from store managers established several interesting points, one of which was the fact that Tylenol's success in their departments was encouraged by coupons and "buy one, get one free" campaigns. One store manager also noted that Tylenol has "seen a dramatic rebound since the tampered bottles [episode]" and has garnered success through well organized ad campaigns.

Among the health & beauty aids brands that were mentioned by a considerable number of store managers but did not, however, make the top 10 list were: Head & Shoulders, Vidal Sassoon, Prell and Stay Free.

Top Brands Vary by Type of Outlet

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands' Performance by Region

Source: Discount Store News/Leo J. Shapiro & Assoc.

Advertising Spurs Toy Brands' Awareness

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Fisher-Price	52%	50%	60%	75%
Mattel	48	50	28	50
Playskool	41	29	31	34
Coleco	8	25	32	23
Huffy	23	33	20	2

Source: Discount Store News/Leo J. Shapiro & Assoc.

The popularity of Fisher-Price, which for the third consecutive year received the most mentions from discount store managers as a top toy brand, supports the current trend that consumers perceive educational and pre-school toys to have the most value.

Nationwide DSN Report

For the third consecutive year, Fisher-Price and Mattel were mentioned most often by discount store managers as top performing brand names in their toy departments, according to *DSN*'s 1987 Top Brands Survey.

More than half of all discounters polled said that Fisher-Price was among their top brands, while a little less than half named Mattel as among their best performing toy brands.

Contributing to the strength of Fisher-Price as a top brand was an increase of support this year by upscale discounters. Nearly eight out of 10 upscale store managers named Fisher-Price as among their top brands, up from about two-thirds last year. Fully three-quarters of store managers at Target named Fisher-Price as among their top brands, up from about half a year ago.

Mattel showed slightly lower percentages of mentions by store managers across the board this year from last year, but it was still able to hold its No. 2 position with four out of 10 store managers naming Mattel among their top performing toy brands.

Coleco also remained in its same fourth position. Two out of 10 store managers named Coleco among their best performing brands. Coleco appeared to garner less support from Zayre and K mart managers polled this year than in the past.

Playskool, ranked again as the third most often mentioned brand, received more mentions than Mattel among upscale discounters, with four out of 10 upscale store managers naming Playskool as among their best performing brands. Store managers at K mart and Target also mentioned Playskool more often this year than last, while mentions of the brand by Wal-Mart and Zayre managers decreased this year.

The increased strength at upscale discounters for both Playskool and Fisher-Price supports an industry trend that consumers perceive educational and pre-school toys of more value than such highly promotable toy categories as action lines and will pay more for them. As a further indication, Mattel, Coleco, Milton Bradley and Hasbro all exhibited lower percentages of mentions at upscale discounters than they garnered in previous years.

Huffy made a significant move upward and became the fifth top brand this year, moving up from the ninth position last year. Sixteen percent of all discounters named Huffy as among their top performers, with the increase mainly at conventional discounters. One-fifth of store managers at conventional discounters mentioned Huffy as a top brand compared to just 5 percent of upscale discounters. Huffy received its greatest support from Wal-Mart store managers.

Hasbro, remaining in the sixth position, got extra percentage points from its hottest toy, Pogo Bal, introduced at last winter's Toy Fair. The toy had so much identification from store managers, it ranked separately from Hasbro as the eighth top brand.

Milton Bradley dropped down two notches from the fifth top brand last year to the seventh spot this year among store managers. Twelve percent of all discounters supported the brand, down from 22 percent last year.

The last two entries are also new entries to the top 10 chart. Murray took over the ninth position while Little Tikes became the 10th best performing brand. Murray drew its highest percentage of mentions from managers of conventional discount stores. Twelve percent of store managers at conventional discounters named Murray as among their top brands, while only 1 percent of upscale discounters said so.

Little Tikes, on the other hand, was much more popular among upscale discounters, with 14 percent naming it as a top brand, compared to 4 percent of store managers at conventional discounters.

Fisher-Price increased its brand performance in every region of the country except the West, where it decreased from 65 percent last year to 41 percent this year. The brand performed the best in the Northeast region, followed by the North Central region and the South.

Mattel showed lower percentages of brand mentions in every region except the Northeast where it held steady at 41 percent. The best performing region for the brand this year was the West.

Playskool performed the best in the Northeast and North Central, performing better in these regions than last year.

Coleco's best region was the North Central, while Huffy, which scored higher ratings in all regions, exhibited its best showing in the West.

When store managers were asked why they picked certain brands as their best performing, the majority of store managers polled at Target (33 percent), Zayre (44 percent) and Wal-Mart (59 percent) all stated the reason was national brand or name brand.

However, only 6 percent of K mart store managers felt the product's national or name brand was a factor affecting its performance. Instead, the majority of K mart managers (34 percent) found two other reasons to be more important: That they advertise heavily or that people recognize them because they advertise; or that they have a wide variety and have a large line offering many products.

Even though the K mart managers' reasons for naming a brand as among their best performing differed from the other three discounters, the variation is not so great when one considers heavy advertising and wide variety usually complement a national brand name product. However, the difference does suggest that K mart store managers would be more willing than their counterparts at other chains to sell products without a national brand name if they were heavily advertised and had a large line to offer.

A significant portion of store managers at both Wal-Mart (four out of 10) and Zayre (two out of 10) cited heavy advertising as the reason why a brand was among their top performers. However, while the second-largest percentage of Target store managers (three out of 10) saw a good product or quality product as a more important reason, an equivalent number also recognized heavy advertising to be a contributing reason.

It shouldn't be surprising that an upscale discounter like Target found quality to be relatively more important to a brand's performance than managers at the more conventional discounters. Quality is important to justify the higher pricing that may accompany the products. However, the results clearly show that heavy advertising plays a major role in toy performance at all of these discounters.

Another difference among the top four discounters found Wal-Mart store managers (29 percent) citing good, low prices as an important reason for a brand's performance, a higher percentage than the other three chains. At Wal-Mart, product quality (with just 9 percent of mentions) was relatively less important compared to the other three.

The total number of store managers polled, who cited Fisher-Price as the top brand, stated heavy advertising and good product quality to be the two most important reasons why they mentioned that brand. When managers who cited Mattel as the top brand were asked why, they stated that a wide variety of products and heavy advertising were reasons for their selection.

Top Brands Vary by Type of Outlet

[illegible]	All Discounters	Conventional Discounters	Upscale Discounters
[illegible]	59%	51%	79%
[illegible]	40	40	39
[illegible]	33	30	41
[illegible]	19	18	22
[illegible]	16	20	5
[illegible]	14	15	12
[illegible]	12	12	12
[illegible]	10	11	8
[illegible]	9	12	1
[illegible]	7	4	14

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
[illegible]	76%	54%	65%	41%
[illegible]	41	34	41	44
[illegible]	49	30	31	28
[illegible]	18	12	27	19
[illegible]	14	13	17	21
[illegible]	16	18	13	10
[illegible]	16	14	13	5
[illegible]	6	7	11	20
[illegible]	6	12	3	17
[illegible]	10	4	9	6

Source: Discount Store News/Leo J. Shapiro & Assoc.

B&D, Stanley Head Diverse Hardware Brands

Nationwide DSN Report

For the fifth consecutive year, Black & Decker and Stanley were named by discount store managers as the top brand names in the hardware category, according to the 1987 *DSN* Top Brands Survey.

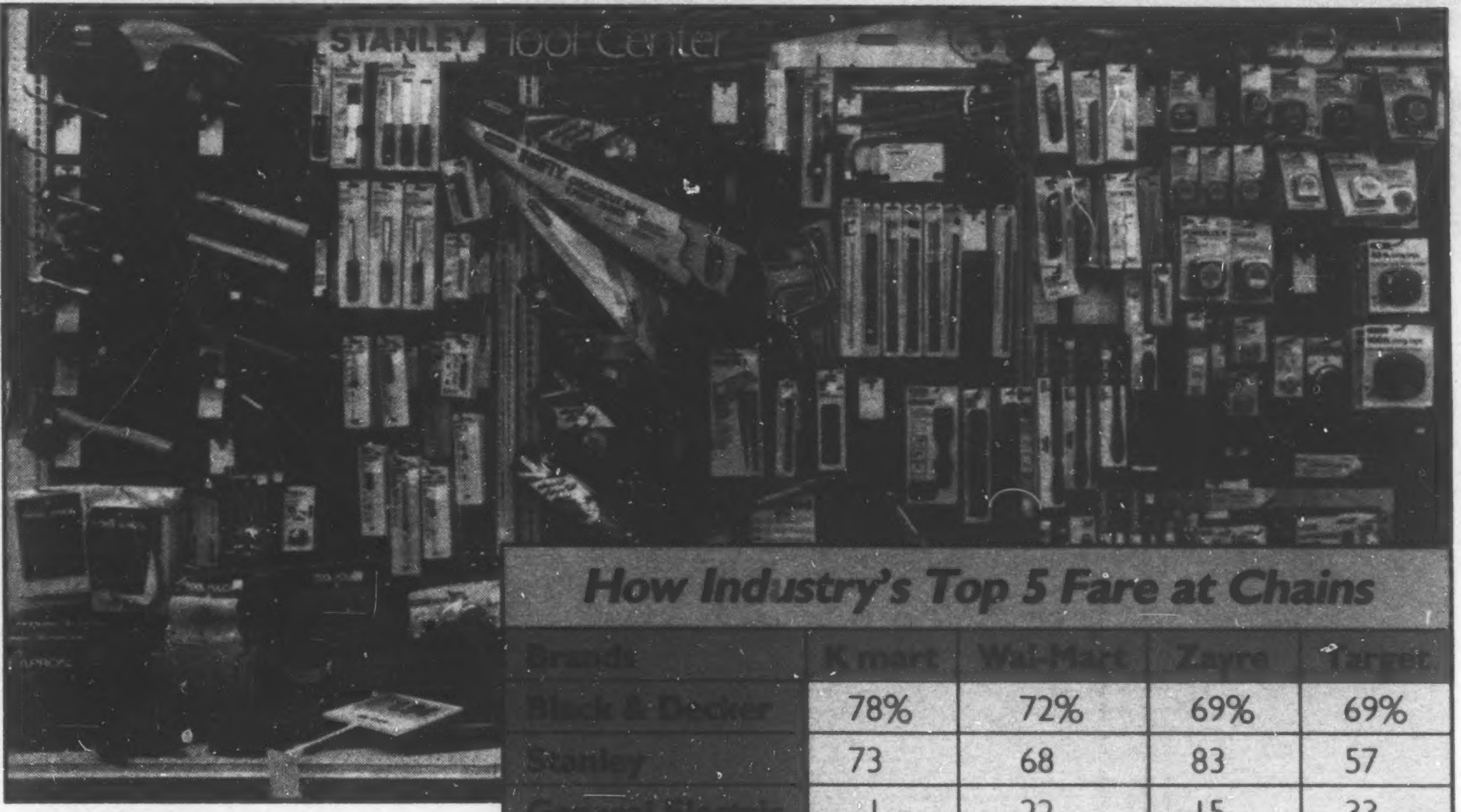
As in the past, Black & Decker came out on top among all discounters and at upscale discounters like Target. But for the first time, Stanley unseated Black & Decker for the top position among conventional discounters such as K mart, Wal-Mart and Zayre.

When all discount store managers were asked which brand names come to mind as among their best-performing brands in the hardware department, Black & Decker was mentioned by more than two-thirds of the respondents. Stanley, just two percentage points behind, still garnered over two-thirds of the total responses, a testament to the overwhelming dominance of those two brands.

Upscale retailers, however, placed Black & Decker in a more commanding lead over Stanley, with almost seven out of 10 mentioning B&D compared to less than six out of 10 upscale discount store managers naming the New Canaan, Conn.-based hardware and tool company.

Among conventional retailers, Stanley was named as the top hardware brand, just barely edging out Black & Decker by two percentage points. Both brands were mentioned by more than six out of seven of the discount store managers surveyed as being among their best-performing brands.

Conventional discounters mentioned Black & Decker eight of 10 times and Stanley slightly less than that in last year's survey. Upscale retailers listed Black & Decker nearly eight out of 10 times, compared to less than seven of 10 for Stanley a year ago.



How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Black & Decker	78%	72%	69%	69%
Stanley	73	68	83	57
General Electric	1	22	15	33
Glidden	11	—	—	27
Rubbermaid	4	4	—	6

Source: Discount Store News/Leo J. Shapiro & Assoc.

> ***When it comes to popular name brands in the hardware department, many retailers continue to identify Stanley and Black & Decker as the labels performing best for them.***

Last year, store managers in all three types of discount store outlets mentioned Black & Decker and Stanley more often as the top brands than they did this year.

Among all discounters in the 1986 survey, Black & Decker was named as the leading brand by nearly eight out of 10 managers surveyed, compared to seven of 10 for Stanley.

The third most often named hardware brand in the 1987 survey, as in the past, was General Electric. GE's standing strengthened among upscale discounters but was still a distant third on the top 10 list.

This year, General Electric was named by slightly more than one of every 10 store managers surveyed, a slight increase over last year. General Electric was mentioned as among the top-performing brands by one-fifth of the upscale store managers. Conventional discounters named GE a top performer 7 percent of the time, unchanged from the 1986 survey.

Glidden was the fourth-place finisher in this year's survey, recovering ground lost last year when it slipped to sixth place.

The strongest showing for Glidden was at upscale discounters who mentioned the paint brand nearly one-fifth of the time, up from just 12 percent a year ago. Nearly one in 10 discounters mentioned the paint brand this year, almost double the response rate of 1986. And the Glidden label was mentioned by 7 percent of the conventional retailers compared to just 2 percent last year.

Rounding out the top 10 in descending order was Rubbermaid, a newcomer to the top 10 hardware list; Lucite, which dropped from fourth a year ago; Hirsh, unchanged from 1986; Skil, down from fifth last year; Genie and Olympic, ninth and tenth, respectively, and also both new to the list.

Great Neck, Homelite and DuPont—eighth, ninth and tenth on the 1986 survey—did not make the top 10 list in the hardware category this year.

Some of the shifting of position within this merchandise category can probably be attributed to the diversity of products in the hardware department in the discount industry and to the plethora of new products now available by a growing number of manufacturers, many of which often cross category lines.

For example, Black & Decker manufactures power tools and accessories, lawn mowers and small electric appliances—product lines that cross the hardware, lawn & garden and housewares categories; and Rubbermaid, generally considered to be a housewares manufacturer, produces such items as garbage pails and storage items that are merchandised in the hardware department. Other Rubbermaid merchandise is often displayed in the lawn & garden department, bath area and automotives section.

Since each retailer groups products differently, managers' perceptions of why certain brands perform well varies greatly.

When managers were asked why a particular product comes to mind as a top brand in the hardware category, respondents attributed the success to a number of factors: national brand name status; item quality; good or low prices; heavily advertised and consumer recognition of those ads; variety within the lines; and brand recognition.

Among the four largest discount chains—K mart, Wal-Mart, Target and Zayre—Black & Decker and Stanley held a more commanding lead than in the broader survey which grouped responses by type of outlet.

Stanley brand products were named more often by store managers at Zayre as the top hardware brand name than they were at the other three discounters, and with a more dramatic lead than those products showed last year.

More than eight out of 10 Zayre managers mentioned Stanley as a top hardware

(Continued on page 148)

The growing importance of home security devices among consumers has given retailers a new way to merchandise such products as outdoor lights in the hardware department. (DSN photos)

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Black & Decker	66%	65%	68%
Stanley	64	67	56
General Electric	11	7	21
[illegible]	9	7	16
[illegible]	6	4	9
[illegible]	4	5	4
[illegible]	3	2	5
[illegible]	3	4	—
[illegible]	2	—	7
[illegible]	1	—	4
[illegible]	1	1	2

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Black & Decker	71%	55%	72%	68%
[illegible]	79	61	61	61
[illegible]	18	9	15	3
[illegible]	4	5	14	12
[illegible]	8	1	7	9
[illegible]	8	6	3	1
[illegible]	6	2	4	1
[illegible]	—	1	1	12
[illegible]	6	—	4	—
[illegible]	—	1	3	—
[illegible]	4	1	1	—

Source: Discount Store News/Leo J. Shapiro & Assoc.

Diversity Brings Some Newcomers to Top Hardware Brands

Hardware departments at most discount retailers are outfitted with a wide range of products, including flashlights, like this display of Black & Decker's lighting series line. (DSN photo)

(Continued from page 147)

brand, compared to less than seven out of 10 for Black & Decker. Only four percentage points separated these two top brands last year.

Stanley held the No. 1 spot last year at K mart and Wal-Mart but took second place in the minds of store managers at those chains this year. Eight out of 10 K mart managers named Black & Decker this year, while seven out of 10 mentioned Stanley. Stanley held the edge by two percentage points last year.

Black & Decker was mentioned as the top hardware brand name this year by 72 percent of surveyed managers at Wal-Mart, while Stanley was cited by 68 percent. Last year, both brands got substantially higher brand recognition by managers, with nearly all respondents mentioning both brands.

Target managers continued to name Black & Decker more often than Stanley as the top hardware brand. Seven of 10 named B&D, compared to less than six of 10 for Stanley.

General Electric remained one of the top five brand names mentioned by K mart, Wal-Mart, Zayre and Target, with Target managers leading the group. One-third of Target managers named General Electric as one of their best performing brands, compared to just one-fifth of Target managers a year ago. Twenty-two percent of Wal-Mart managers named General Electric as a top brand, up from 17 percent last year. And, 15 percent of Zayre managers named General Electric as a top hardware brand name, up from 6 percent in 1986.

K mart Choices Differ

Only K mart buyers named General Electric less often this year (1 percent) than last year (5 percent).

In its place, K mart managers named Glidden 11 percent of the time.

Glidden didn't make the top five brand list among these four discount retailers last year.

Target buyers named Glidden as a top brand nearly 3 of 10 times in the survey but Wal-Mart and Zayre did not list Glidden at all, which isn't surprising since they don't sell Glidden paint.

Rubbermaid, which is not usually considered a hardware item, rounded out the top five brand list among these retailers. Rubbermaid was most often named by Target managers, followed by K mart and Wal-Mart. It was not named as a hardware item at Zayre.

Regionally, Stanley was most often mentioned as the top hardware brand by retailers in the Northeast and South, while Black & Decker drew its greatest support from managers in the North Central and Western states.

Of the remaining eight brands on the top 10 list, Northeastern-based managers gave the strongest brand recognition to General Electric, Rubbermaid and Lucite; Southern-based managers said General Electric, Glidden and Lucite; North Central retailers cited General Electric, Glidden and Rubbermaid most often; and Western managers mentioned Skil, Glidden and Rubbermaid.

Among retailers with stores over 100,000 square feet, the strongest brands in the hardware category in addition to the top two were Glidden and Rubbermaid.

After Black & Decker and Stanley, General Electric was the brand mentioned more often than others as the top hardware brand among retailers in stores with between 60,000 square feet and 100,000 square feet of selling space and at smaller stores of 60,000 square feet and less.

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Coleman Takes Back No. 1 Position; Named Top Sporting Goods Brand

Nationwide DSN Report

Coleman returned a favor by moving up a notch into first place in *DSN*'s 1987 Top Brands Survey, supplanting Wilson as the sporting goods brand most often mentioned by discount store managers as their best performer.

Last year, Wilson pushed Coleman out of the top slot. This year, the leading maker of camping and outdoor goods was almost equally strong among conventional and upscale operations and finished No. 1 in virtually every category considered.

Huffy, the bicycle manufacturer, built on its strong upscale support to climb three places to finish fifth, the most dramatic growth in the top 10, while fishing tackle manufacturer Daiwa was the only new entry on the chart, at No. 10. Wilson, last year's top rated brand, suffered some erosion of its support among convention discounters like K mart, Wal-Mart and Zayre, although its support at upscale chains like Target held steady.

Among conventional discounters, Coleman was a hands-down winner with both K mart and Wal-Mart, while Wilson took Zayre handily with one of two store managers choosing the athletic goods maker. Wilson's upscale showing was hurt by a low (about one in four) mention rate from Target managers.

Regionally, Wilson was very strong in the Northeast, but weak in the West, where Coleman outperformed every other brand name by at least a margin of 3-to-1. Wilson trailed Coleman by much smaller margins in the South and North Central regions.

Huffy made a strong showing at Zayre but was weak with K mart managers. Huffy was second only to Coleman with Target managers and was relatively strong in the North Central region.

Three fishing tackle companies, Garcia, Shakespeare, and Daiwa, ranked second, third and fifth, respectively, among Western discounters. The first two actually beat out Wilson, which placed fourth in the region.

Capsulized manager comments reveal that Coleman's success is related to its brand name exposure, perceived quality and value, and the strength of camping as a sporting goods category. "People come in looking for Coleman cookers and camping equipment," one manager said. "It's a quality name brand and camping is very popular [this year]," another added. A third specifically mentioned Coleman's return warranty as an attraction.

Shakespeare and Zebco were also mentioned often, with most comments reflecting the companies' name position with consumers and the seasonal attraction of fishing. Zebco was also cited for its low prices and aggressive magazine advertising.

Huffy was the only other brand to receive numerous verbal mentions, most of which emphasized quality and durability of the company's bicycles. "Good prices, good quality and well known," one manager said. "They have good durable products and few items are returned," another commented.

Like camping, fishing and baseball equipment, Huffy was probably helped by the late spring timeframe of the original interviews.

To no one's surprise, the top 10 consists solely of outdoor activities, with athletic goods and fishing equipment leading with four companies placing in each category. Camping and bicycling placed one company each with Coleman and Huffy. Overall, fishing received the most support, with several other companies, such as Berkley and Shimeno, placing

(Continued on page 151)

Top Brands Vary by Type of Outlet

	44%	39%	58%
	35	29	49
	28	18	50
	15	16	10
	12	8	24
	12	12	12
	10	13	3
	7	6	10
	7	9	1
	6	8	3

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands' Performance by Region

	49%	33%	51%	47%
	58	33	37	14
	45	20	36	11
	8	21	20	2
	8	13	19	6
	12	11	15	9
	6	8	11	15
	12	5	10	2
	—	5	6	16
	4	4	6	12

Source: Discount Store News/Leo J. Shapiro & Assoc.

The First Name In Tents And Sleeping Bags.

Introducing first-rate camping accessories from a company known for products that last.

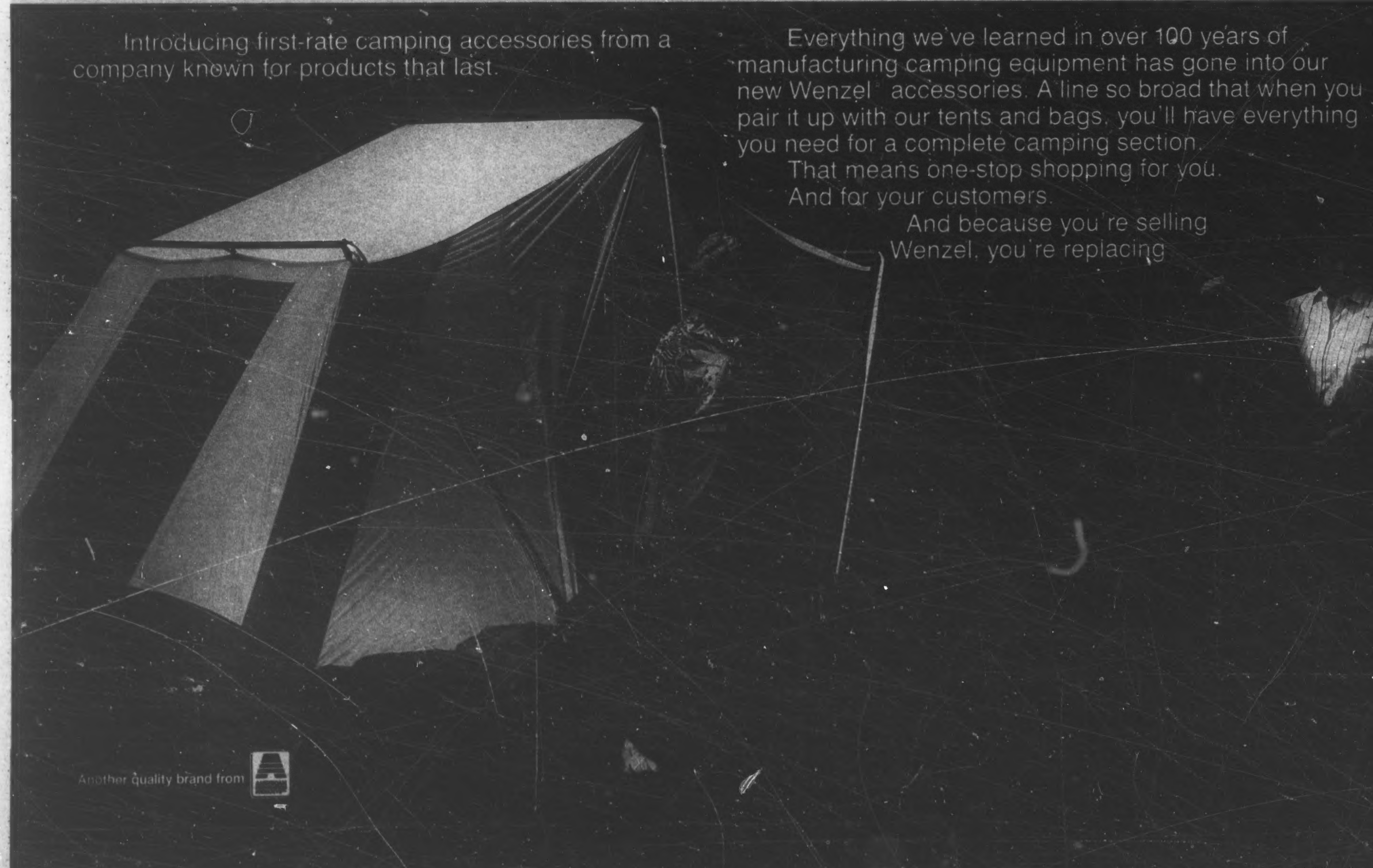
Everything we've learned in over 100 years of manufacturing camping equipment has gone into our new Wenzel accessories. A line so broad that when you pair it up with our tents and bags, you'll have everything you need for a complete camping section.

That means one-stop shopping for you.

And for your customers.

And because you're selling Wenzel, you're replacing

Another quality brand from



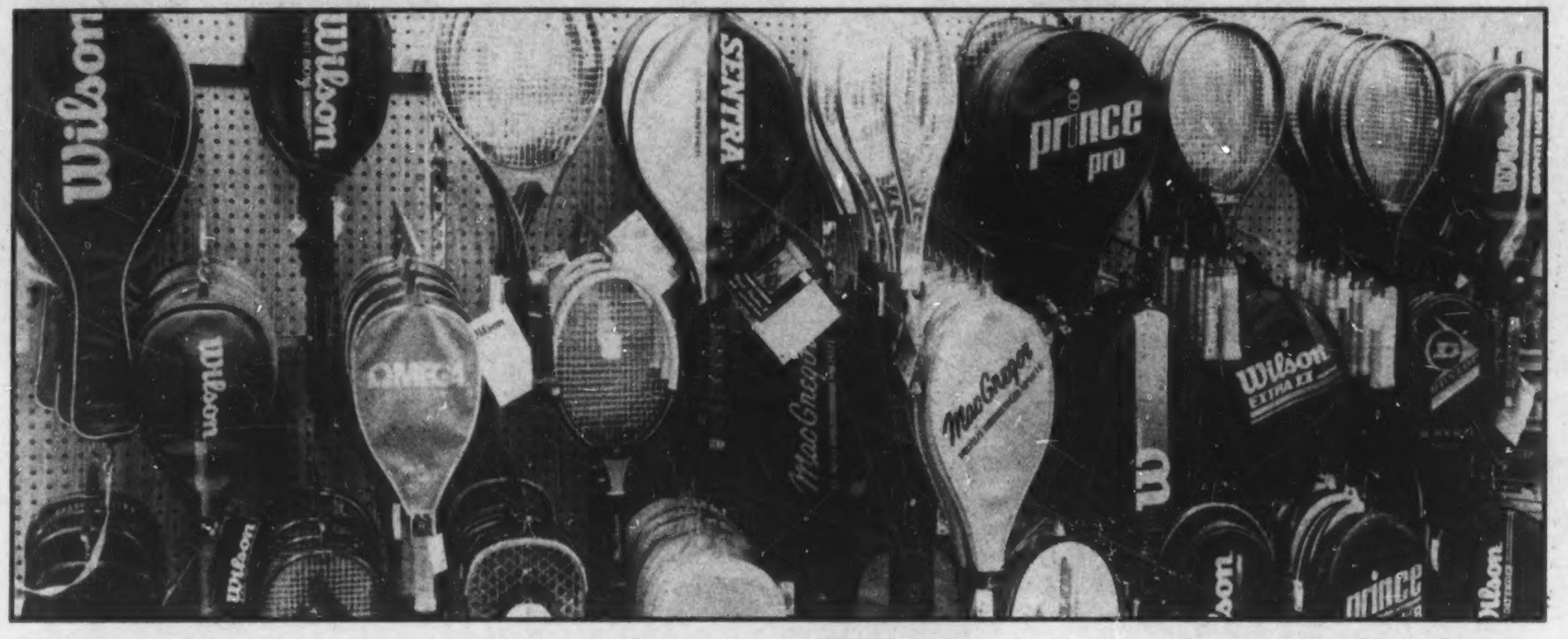
Coleman Unseats Wilson to Reclaim Sporting Goods Top Spot

(Continued from page 150)

further down the list.

Managers felt that sporting goods, as a whole, will grow through next year, with about 30 percent of those answering forecasting increases of 10 percent or better. Another 25 percent expect more moderate gains of 10 percent or less.

With optimism like that, individual brands scored well in future growth projections. Coleman, Wilson, Spaulding, Zebco, Shakespeare, Garcia and Daiwa were standouts as best performers at chains that are forecasting sales growth.



Wilson and MacGregor (above, from a K mart sporting goods department) were two Top Brands leaders, although Coleman reclaimed the No. 1 position Wilson took from it last year. (DSN photo)

Results sometimes varied widely by chain. The responses from managers at four top chains, Wal-Mart, K mart, Zayre and Target, were isolated from other chains interviewed, and the results are sometimes surprising.

For instance, Spaulding and Zebco received little attention from Zayre and K mart managers, but both were very strong at Wal-Mart. Zebco was more popular with Target than with other upscale discounters and Spaulding received significant support from Target managers.

Coleman was an across-the-board favorite, but Wilson was nearly twice as popular with Zayre managers. Wilson also was a narrow favorite with upscale discounters other than Target.

MacGregor, Shakespeare, Garcia and Daiwa owe their standing among traditional discounters almost exclusively to K mart managers. None performed well with either Wal-Mart or Zayre and only MacGregor showed much support with upscalers.

Wal-Mart managers favored only two brands, Spaulding and Zebco, at significantly above the industry rate. Zayre showed above-average support for Wilson and Huffy.

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Coleman	41%	51%	28%	56%
Wilson	29	33	50	27
Spaulding	17	31	14	36
Zebco	13	45	5	17
Huffy	9	—	17	46

Source: Discount Store News/Leo J. Shapiro & Assoc.

Upscale discounters also often mentioned Wilson and Huffy among their top performing name brands, and Spaulding and MacGregor also did better with the upscale set than with conventional discounters. Zebco and Shakespeare fared worse at the upper end than with the conventional stores.

Coleman, very strong with K mart and Wal-Mart managers, was even stronger with Target and other upscale store managers. Nearly six out of 10 Target managers cited Coleman as a best performing brand compared to between four and five out of 10 K mart and Wal-Mart managers. Only Zayre had less than a third of its store managers citing Coleman.

Managers were emphatic in answering why they preferred Coleman. Nearly seven out of 10 of those choosing Coleman as their best performing sporting goods brand said that its national brand status was its major selling point. Other popular responses included product quality, seasonality and, to a lesser extent, low prices.

Those choosing Wilson cited brand recognition, heavy advertising and customer request as key advantages, although only one response (brand recognition) scored over 20 percent of replies.

Zebco received strong support due to low prices, seasonality and extensive advertising—as well as brand recognition.

The large number of seasonality responses indicates that the timing of the survey may favor certain brands over others. Firearms, for instance, placed very poorly in the results while activities normally associated with springtime routinely did well.

Regionally, the Northeast and North Central regions most closely conformed to total preferences; the West clearly did not conform at all. Although Coleman finished at the top in the West, the next 10, in order, were Garcia, Shakespeare, Wilson, Daiwa, Spaulding, MacGregor, Remington, Huffy, Gott and Murray. None of the last four received much support anywhere else, except Gott, which placed ninth among Southern store managers.

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WENZEL

Writing Instruments Snare 5 of Top 10 Slots

Gifts
Care Bears
8
7
Silly Snakes

Although five of the top 10 stationery brands are writing instruments this year, stationery departments have expanded beyond paper and pens and include wide assortments of products from writing tablets to greeting cards and assorted gift items.

Nationwide DSN Report

Mead and Bic were most often mentioned by discount store managers as the best performing brands in the stationery departments, according to the 1987 *DSN* Top Brands Survey.

Bic, traditionally in the No. 2 spot to Mead, continues to close the gap that separates the two brands. In fact, at conventional discounters like K mart, Wal-Mart and Zayre, Bic tied the paper company for top ranking in brand mentions.

Both Mead and Bic were mentioned as the top stationery brands by more than one-third of the conventional discount store managers polled for this survey.

Last year, when these managers were asked to name their best performing brands in the stationery department, Mead held a convincing lead over second-place Bic, 54 percent to 44 percent.

Among all discounters, Mead's lead over Bic was slim. Only two percentage points separated the brands, compared to Mead's 14 percentage point lead over the popular brand of disposable pens one year ago.

At upscale discounters, Mead strengthened its hold on first place. One-half of all discount retailers surveyed said Mead was their best performing stationery brand. But second-place Bic also strengthened its position. After being mentioned by fewer than three in 10 managers last year, Bic drew mentions from more than four of 10 this year.

Mead and Bic continue to exchange top ranking for best performing brand when polled according to specific retailers, geographic region and store size.

In general, discount stores with more than 100,000 square feet of selling space gave Bic top honors in the stationery department. But in smaller stores, between 60,000 square feet and 100,000 square feet, and units under 60,000 square feet, Mead was the top stationery brand.

At K mart, the nation's largest discounter, Bic replaced Mead for the No. 1 position.

When asked to name their best performing stationery brands, one-third of all K mart managers surveyed said Bic was among the best, compared to less than one-quarter who mentioned Mead.

More than four of 10 Zayre managers said Bic was the top selling stationery brand compared to three of 10 for Mead.

Among Wal-Mart and Target managers, Mead still leads Bic by very large margins. Seven of 10 Wal-Mart managers mentioned Mead most often when asked to name their best performing stationery brands, compared to four of 10 for Bic.

And at Target, seven of 10 surveyed said Mead was among their best performing brand names in their stationery departments, compared to three in 10 mentions for Bic.

The two top brands widened their lead over other brands in the 1987 survey. Generally, Papermate brand pens came in third on most categories of this year's stationery brands survey, the same as in the 1986 survey.

Papermate was strong at K mart, where only two percentage points separated it and Mead.

At Wal-Mart, five percentage points separated second-place Bic from third-place Papermate. But the gap was wider at Zayre and Target.

Papermate came in fifth at Zayre, falling behind American Greetings, which is new to the top five brands list among the nation's top discount chains, and fourth-place Crayola.

American Greetings closed in on Mead's second-place spot at Zayre. Managers at Zayre named American Greetings as a top selling stationery brand nearly as often as they did Mead.

Papermate, which held the third spot on the top five list last year at Zayre, fell to fifth in the 1987 survey. With only one in 10 managers mentioning Papermate as a top stationery brand, it was edged out of fourth by Crayola, which was mentioned by more than one in 10 managers interviewed.

Papermate brand pens held on firmly to third place at Target, and even strengthened its position there. But that spot is being threatened by American Greetings and Parker, which all got nearly the same response level as Papermate, slightly more than 10 percent of the surveyed store managers.

Rounding out the top five brands at K mart and Wal-Mart was Crayola in fourth and American Greetings in fifth.

The shift in position among top stationery companies can sometimes come down to this year's new product introductions, commented Gene O'Donnell, vice president, hard lines at Hills Department Stores, Canton, Mass.

This can be particularly true in the writing instruments category, where new colors abound and fashion is beginning to affect customer purchases.

In fact, half of the top 10 stationery brands are writing instruments this year. Another three are greeting cards companies, one is notebook/filler paper and the other is tape.

And according to a number of retailers and manufacturers previously interviewed by *DSN*, lower-priced writing instruments are a cornerstone product in discounter's stationery departments.

But more higher-priced merchandise, like Parker pens, are starting to grab a larger share of stationery sales at discounters. They are taking up more space on retail shelves, a result of the growing affluence among consumers. Many of these customers want to trade up to products perceived to be of higher quality and "snob appeal," one retailer observed.

Greeting cards are also gaining more strength at discounters, a testament to "life-

(Continued on page 157)

How Industry's Top 5 Fare at Chains

[illegible]	K mart	Wal-Mart	Zayre	Target
[illegible]	24%	71%	30%	70%
[illegible]	35	40	43	30
[illegible]	22	35	10	15
[illegible]	7	8	26	13
Crayola	11	18	11	—

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands Vary by Type of Outlet

[illegible]	[illegible] Discounters	Conventional Discounters	Upscale Discounters
[illegible]	40%	35%	50%
[illegible]	38	35	44
[illegible]	21	19	24
[illegible]	12	10	17
[illegible]	10	11	9
[illegible]	9	9	10
[illegible]	5	3	10
[illegible]	5	3	7
[illegible]	2	2	2
[illegible]	2	2	1

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands' Performance by Region

[illegible]	Northeast	South	[illegible]	[illegible]
[illegible]	32%	47%	48%	22%
[illegible]	56	23	44	34
[illegible]	23	23	22	13
[illegible]	16	12	15	4
[illegible]	12	12	10	7
[illegible]	2	8	14	12
[illegible]	—	7	9	—
[illegible]	4	5	7	1
[illegible]	—	2	3	2
[illegible]	4	1	3	—

Source: Discount Store News/Leo J. Shapiro & Assoc.

Chains Credit New Product Intros for Shifts in Top 10 Brands

(Continued from page 153)

style" messages and illustrations. American Greetings, for example, rose from seventh to fourth place on the top-brands-by-outlet list, increasing its strength dramatically at each outlet type.

Ambassador entered the top 10 brands list at No. 9 for the first time this year.

Among all discounters, American Greetings cards placed fourth with a mention rate of more than one in 10, followed by Crayola, Parker, Scripto, Stuart Hall, Ambassador and Scotch.

More conventional discounters gave Crayola the fourth place spot on the top brands list in stationery, followed by American Greetings, Parker, Scripto, Stuart Hall, Ambassador and Scotch.

Upscale discounters put American Greetings fourth on the stationery brands survey followed by Scripto, Parker, Stuart Hall, Ambassador and Scotch.

New products are particularly important for writing instruments, where new colors abound and fashion is becoming a factor.

When it comes to the top brands, store managers said the success of a product comes down to price, in the case of Bic; selection, in the case of American Greetings; and brand name recognition, in the case of Mead.

Regionally, the top 10 stationery brands mirror that of the outlet type.

Bic was ranked as the top stationery brand in the Northeast and West, ahead of Mead. And, in the South and West, Mead was the top performer.

Papermate was the third-ranked stationery brand across all four regions, but after that, the line-up changes.

In the Northeast, American Greetings slid into fourth place, with nearly one-fifth of the managers mentioning the greeting card company as a top stationery brand. It was followed by Crayola and Stuart Hall and Scotch. Ambassador was listed as the 10th best performer on the regional brands chart but was not mentioned by Northeastern-based retailers in this survey.

Ambassador was the ninth top brand in the South and West and tied with Scotch for ninth and tenth positions in the North Central region.

In the South, Crayola was tied for fourth with American Greetings, with one in 10 managers naming the two brands. They were followed by Parker, Scripto, Stuart Hall, Ambassador and Scotch.

American Greetings was fourth in the North Central region, with almost two in 10 store managers naming the greeting card company.

PHARMACY
ALL OCCASION
RELIGIOUS CARDS
19
20

When it comes to selling 'lifestyle,' perhaps no category of merchandise does it better than greeting cards, which deliver their message directly to the customer.

Greeting Cards

Fashion and lifestyle concepts have been embraced by stationery shoppers who now consider color, style and design when purchasing pens, pencils, paper and greeting cards. (DSN photos)

Upscaling, upgrading, diversifying, consolidating—the mass merchandising universe is changing rapidly. To stay afloat you need to keep abreast of all these changes as they occur.

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. . . Leased department operators are fading away in favor of company-run units.

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Cosmetics Success Attributed to Pricing, Ads

Nationwide DSN Report

Top ranked cosmetic brands underwent a shift in chain and regional dominance, according to *DSN*'s 1987 Top Brands Survey.

Low price, wide brand assortment and national distribution were among the primary factors determining which brands store managers at chains like K mart, Wal-Mart, Zayre and Target selected as their top cosmetics department performers.

According to the store managers polled, last year's four brand leaders—Maybelline, Revlon, Cover Girl and Max Factor—were again identified as the top performing brands in the cosmetics category.

Despite the fact that last year's top four brands maintained their respective rankings overall, there was a change in the best performing brands by type of discounter.

For example, managers at upscale discounters such as Target Stores mentioned the top four brands more often than they did last year.

In comparison, K mart, Wal-Mart, Zayre and other conventional full-line discount department stores cited the top four brands less frequently than the previous year.

The higher incidence of mentions from upscale discounters did not, however, offset the decline in conventional discounters, except in the case of Cover Girl which received slightly more mentions by all discounters over last year's study.

Emerging Brands Compete

Competition from emerging brands at the conventional chains is one explanation for the decline, taking a share of overall mentions from Maybelline, Revlon and Max Factor.

Cutex and Almay, two brands that had not received enough mentions to be ranked on last year's top 10 chart, moved into eighth and tenth places, respectively.

Almay's upper-end positioning paid off with 10 percent of mentions at upscalers, but no top mentions among conventional discount stores surveyed.

Noxell was a strong performer moving from No. 9 in 1986 to No. 5.

L'Oreal, Clairol, and Aziza were ranked No. 6, No. 7, and No. 9, respectively by store managers surveyed.

Regionally, the top four were ranked as the leading performing cosmetics brands in Northeastern and North Central stores more often than last year but were less dominant in the South and West, areas where the demographics are more varied.

The only exception to this regional shift was a marginal gain in the number of mentions Cover Girl received in the West. Other than that, all increased mentions among the top four were generated in the Northern region.

At individual chains, Maybelline drew slightly more responses from Target managers this year than last. Cover Girl grew in popularity as a top performing brand at both Zayre and Target. And, Max Factor exhibited its best rating among Target managers.

Good/low pricing and manufacturer advertising support were the two main ingredients for success among the best performing brands, according to all store managers surveyed.

Specific chains gauged success factors somewhat differently from one another.

Over half of the K mart store managers said the factor that made a given brand a top performer was based on the low price of the goods.

At Wal-Mart and Zayre, the single most frequently cited reason why a particular brand was a top performer was the variety of product lines available under the specific brand name. About three out of 10 store managers at those two chains indicated that variety was of greatest importance.

In contrast, Target store managers most often selected the top performer based on the amount of brand recognition generated by advertising support; roughly one-fourth of the Target managers surveyed agreed that this factor was integral in department performance.

While several of the chains surveyed have moved cosmetics department adjacencies, making it a neighbor to departments such as jewelry and apparel, only a handful of store managers indicated that the placement of the brand within the store has much bearing on its overall performance.

Branded merchandising panels set on an angle let shoppers see all available cosmetics department lines at a glance in Hills, Miamisburg, Ohio.

Product quality, in-store promotions and packaging were among the lowest-rated reasons for brand performance. While these may be important characteristics of a top performing product, store managers surveyed perhaps decided there wasn't enough difference among competing brands in these areas to make these reasons rate higher as affecting brand performance.

The survey indicated that Revlon and Cover Girl performed well primarily due to advertising support and because they are national brands, while Maybelline was recognized for its low prices.

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Maybelline	86%	73%	82%	88%
Cover Girl	50	58	59	63
Revlon	24	26	31	74
Max Factor	14	29	3	20
Noxell	28	—	2	8

Source: Discount Store News/Leo J. Shapiro & Assoc.

Revlon earned the highest score for advertising with nearly half of all managers citing this as a reason for department performance. Cover Girl had the highest number of respondents citing its brand name as a performance factor. Maybelline's low pricing was recognized by nearly four out of 10 of all store managers.

Among the comments store managers made concerning cosmetics brand leaders, were praises for Cover Girl's advertising. The fact that Cover Girl employs "known faces in advertisements" and markets itself as a "smudge proof" formula were among the reasons respondents gave for why they considered it the top performing brand.

Managers noted Maybelline for its "good, colorful packaging . . . eye-catching display and low prices," as factors in its success. Managers added, "It appeals to middle-income people," in addition to more price-sensitive shoppers.

"Good service. There is always a representative making sure the stock is full," said one manager about Revlon.

Goody, Hazel Bishop and Wet-N-Wild were among manufacturers who received positive commentary on their department performance, even though response was insufficient to place them among the top 10 brands.

Despite the fact that Goody makes hair accessories and not cosmetics, the manufacturer was recognized for its wide selection and low prices, probably because it is a line that sometimes becomes the responsibility of the cosmetics buyer.

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Maybelline	77%	77%	77%
Cover Girl	48	49	45
Revlon	42	29	76
Max Factor	23	18	36
Noxell	10	12	3
L'Oreal	7	6	10
Clairol	7	8	4
Cutex	6	6	5
Aziza	4	2	8
Almay	3	—	10

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands' Performance by Region

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	69%	80%	76%	79%
[illegible]	35	51	55	45
[illegible]	54	35	51	31
[illegible]	29	20	23	22
[illegible]	6	10	9	15
[illegible]	16	5	2	11
[illegible]	10	2	8	10
[illegible]	10	4	5	6
[illegible]	4	2	6	2
[illegible]	6	2	4	1

Source: Discount Store News/Leo J. Shapiro & Assoc.

MAX FACTOR
MAX FACTOR
Photo

The fashion appeal of cosmetics department product lines is enhanced by situating it adjacent to costume jewelry at Caldor, White Plains, N.Y.

(DSN photos)

Dart Group Ups Dayton Hudson Takeover Bid to $6.3 Billion

(Continued from page 1)

Because Target, which has doubled its operations and annual revenues over the past five years, is D-H's best-performing division, not only would it fetch the highest price, its absence would also make D-H a less attractive takeover target.

With the proceeds from the sale, D-H could either buy back its own stock or make a large cash distribution to keep stockholders happy, Johnson suggested.

D-H might also just stand pat with the anti-takeover efforts it set in motion in June when the Dart Group first disclosed its takeover intentions.

D-H successfully lobbied during the summer for passage in the Minnesota legislature of the toughest anti-takeover bill in the country. That law bars a takeover company from selling any part of its target to pay off junk bonds floated to acquire the company's stock. Moreover, anyone who acquires more than 20 percent of a Minnesota corporation would have to get the approval of remaining stockholders to retain voting rights in the acquired shares.

The Dart Group might get 60 percent or 80 percent of Dayton Hudson shares and still be unable to place anyone on its board, Johnson said.

Johnson said that D-H might also:

- Spin off its Dayton and Hudson department stores unit;
- Merge with a white knight;
- Initiate a leveraged buyout;
- Float junk bonds to buy back its stock.

The analyst declined to rate the probability of any of these scenarios, except to say that "The least likely is a Dart takeover."

Moreover, D-H claims that its problem division, the Mervyn's soft goods chain, is turning around and will show good fourth quarter results, Johnson said.

An earnings slump at Mervyn's has depressed Dayton Hudson profits and consequently its stock price, making it appear vulnerable to a takeover.

Johnson forecast D-H earnings in the third quarter to equal 45 cents a share, down from 55 cents a share in the year-ago period.

Second quarter reported operating profits equaled 24 cents a share, down from 37 cents a share in the same quarter of 1986, after adjustment for the 1986 sale of its B. Dalton book chain. That's a decline of 24 percent.

D-H attributed the slump to Mervyn's, which experienced a 10 percent gain in second quarter revenues, thanks largely to sales at 13 new stores. Same store sales were flat.

Operating profits at Mervyn's for the second quarter and first half were "down significantly from last year, reflecting a lower gross margin rate and weak comparable store sales," D-H said.

In contrast, Target sales in the second quarter rose 17 percent, including a 6 percent gain in same store sales. "Operating profit was higher than a year ago, reflecting improvements in both the gross margin and operating expense rate," D-H reported.

Target opened 25 stores in the first half of 1987 and expects to open 46 more in the second half. That would push store count to 317 from 246 at the beginning of the year.

Target is also expected to top $5 billion in sales this year. Last year, Target posted sales of $4.4 billion.

Dart Group

Landover, Md.
Chairman: Herbert H. Haft
President: Robert M. Haft

Divisions

Trak Auto Corp.
(includes Trak Auto East and West),
Crown Books Corp.,
Discount Books East,
Dart Group Financial Corp.,
Dart Delaware Corp.

1986 Sales*: $367.4 million
1986 Net Income*: $30.7 million

(Dart Group does not break out figures for its divisions.)
**Fiscal year ended Jan. 31, 1987*

Source: DSN research

Ulrich to Chair Target; D-H Taps Allbright Prez

(Continued from page 1)

A Target spokesman said no announcement has been made on a successor to Ulrich. The spokesman would not comment on whether or not the president post at Target would be filled.

As D-H president, Allbright will oversee Target, his old division, as well as the Dayton Hudson Department Store Co., Lechmere and Branden's.

"I am pleased to have a seasoned retail veteran like Bruce Allbright joining me as partner," said Macke in a prepared statement. "We will be renewing an association we shared at Target during a period that began Target's rapid and successful growth."

Macke and Allbright worked together from 1976 to 1981, when the former headed Target as chairman and the latter was president. During that time, the discount chain grew from 52 stores in nine states with sales of $729 million, to 151 stores in 17 states with sales of $2.1 billion.

Allbright went to F.W. Woolworth in 1981 as chairman and ceo of Woolworth-Woolco, returning to D-H the following year as Target vice chairman and chief administrative officer. He was named chairman and ceo in 1982.

Since that year, Target has grown from 151 units in 17 states to 317 stores in 24 states by year-end. In 1982, sales were $2.4 billion; this year, sales are expected to top $5 billion.

Allbright began his business career with Genesco Inc., where he worked for 23 years. He rose to president and ceo of several divisions by 1971. Later that year, he joined D-H as president of its B. Dalton Bookseller division, a post he held until 1974 when he was named vice president and group officer of D-H. He was promoted to senior vp of specialty stores in 1976, and the following year he joined Macke at Target.

Ulrich joined D-H in 1967 as a merchandising trainee. He rose through the merchandising ranks to become president and ceo of Diamond's Department Stores in 1981. In 1984, he became president of the then newly formed Dayton Hudson Department Store Co. Later that year, he was named president of Target and was promoted to president and coo last April.

Hollis Outlines Plan

Ames to Add Security to Fight Theft

(Continued from page 1)

burgh, a central warehouse in New Jersey and in company trucks en route from that warehouse to stores.

A company spokesman revealed that security seals on delivery trucks were sometimes slit and at other times replaced entirely at highway stopovers, whereupon items were removed from packing containers. The containers were then checked in at receiving docks without a piece-by-piece inventory.

In his address to analysts, Hollis said that a comprehensive anti-shrink program has already been implemented at Ames, which will "bring shrink down from 2.5 percent at cost in the first half of the fiscal year [which is already down from 2.7 percent in the second half of the last year] to 2 percent at cost for the second half of this year."

In forecasting further results, he said, "Our midterm goal is to reduce shrink to no more than 1.8 percent for the first half of next year." He added that the company's anti-shrink program would "put us in the forefront of inventory shrink control, and that will increase our profits."

Some of the steps Ames has taken include engaging Coopers & Lybrand audit and consulting divisions to perform a detailed audit of every accounting procedure, system and report related to inventory; hiring security specialists Royal-Schutt International; retaining loss prevention experts Jack L. Hayes Inc.; and conducting its own in-depth reviews of distribution and trucking systems, physical plant locations and personnel integrity testing systems.

The company is also adding somewhere between 500 and 1,000 security employees who will work in a variety of functions at a number of locations.

Public accountants Arthur Andersen have been contracted to conduct "a comprehensive review of all the manual and automated systems at our distribution centers and warehouses," Hollis said.

To date, no arrests have been made and a company spokesman cautioned that evidence so far had failed to uncover any widespread conspiracy to systematically loot the company's inventory. Rather, the spokesman said, evidence so far indicates that the company's accounting system, particularly that employed by the former Murphy Marts, was vulnerable in several areas to pilferage by employees and service companies.

Ames has already tightened its inventory receiving system, replaced security seals with new ones more difficult to circumvent by simply removing the door at the hinge or replacing the whole mechanism, and added nearly undetectable anti-theft strips to merchandise in "several" stores (see story, page 3).

Hollis said that because of unexpectedly deep seasonal markdowns taken in the second quarter, Ames will likely report lower markdowns in upcoming periods.

"Our conservative forecast is that, although we will be profitable in [the third] quarter, our earnings will be significantly lower than last year's 30 cents a share," he said. "Importantly, during the first half of the year, we took the opportunity to further our goal of narrowing our merchandise assortments in many hard lines departments."

Hollis had said at Ames' annual shareholders meeting this spring that a key to future profitability would be an expansion of fashion apparel and a de-emphasizing of low-margin hard goods. He reported that as a result of the mid-year markdowns, average store inventory is down from last year and merchandise is better distributed store-to-store. Also, he said that, "Better merchandise planning has positioned our total inventory to yield an improved turnover rate."

Yellow Front Accelerates Expansion Plans

(Continued from page 2)

change—will probably not take place until Jan. 1, 1988, said Perry Steinhoff, Yellow Front's advertising director.

Steinhoff said each Bonanza site will be evaluated and then transformed to Yellow Front's merchandise mix and presentation.

While the typically 8,000-square-foot Bonanza stores are slightly smaller than the Yellow Front average of 12,000 square feet, both chains have carried similar merchandise while catering to generally the same clientele.

With 60 percent of its stores in small towns—5,000 to 40,000 in population—Yellow Front has been merchandised for blue collar, rural and/or agricultural markets.

Yellow Front has functioned as "a general store for the small community," offering clothing basics, sporting goods, some hardware, toys, domestics, lawn & garden, automotives and discounted merchandise, Steinhoff said.

Steinhoff said soft goods account for approximately 40 percent of the merchandise and consist primarily of Levi's jeans, flannel shirts and low-end apparel. Hard goods comprise about 50 percent of the offering, with everything from fishing and hunting licenses to kitchen plastics. Auto supplies account for the remaining 10 percent.

Bonanza, too, has sought out the small-town markets with general variety store products at discounted prices.

Yellow Front considers Wal-Mart its main competitor, and runs extensive promotional advertising. Of late, Yellow Front has become more involved with what it terms "opportunity buys."

Steinhoff said these buys have included manufacturer overruns and closeouts, discounted items, imports and off-season merchandise.

This merchandise direction will be further pursued, president Sean Lee said, since the company will have additional buying power with the Bonanza stores. However, Steinhoff said the chain will not deviate greatly from its core business.

Buying for Yellow Front is handled at the company's headquarters, with all merchandise moving through a 300,000-square-foot warehouse. The same system will assimilate buying and distribution for the Bonanza stores.

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FM FOOD MERCHANDISING

FOR NON-FOOD RETAILERS

Winter, 1987

Special Report: Makro Wholesale Clubs: Using Groceries to Court Shoppers

Alcoholic Beverages: Drug & Discount Chains are Doing Great with Wine Coolers, Fruit Flavored Wines & Cordials.

Pet Care: The Selling Opportunities are in Accessories and Foods

How K & B Drug adds "zest" to liquor ads

Sami Seasonality Study: What to Promote next Summer.

How Pet Care Performs

With drug and discount stores expanding facings and ads for pet care, sales are up 10% and better in most chains

As drug and discount store chains strive to expand their convenience appeal to local shoppers, more space and more feature activity is being focused on the pet food category.

Buyers for both drug and discount stores say they are continuing to advertise the best selling brands of pet food heavily to lure value conscious shoppers into their stores.

At the same time, most discount store chains are expanding their pet food departments to include a wide variety of pet accessories including many items and brands previously only available before in pet supply stores (see accompanying story).

Drug chains, for the most part, are continuing to rely on Hartz and Sargeant for most of their everyday pet accessories, but some drug chains like Osco, Walgreen's, Revco, etc., are also starting to feature offbeat types of pet accessories like pet transporters or automatic food and water dishes in their ads.

When pet food buyers and store managers talk about pet care, however, they still tend to stress the traffic building potential of the brand name food items like Purina, Carnation, Alpo, Gaines Burgers, 9 Lives, etc.

Most drug and discount store pet food buyers say that the core of their pet food departments is still the food section, and in most chains, foods for dogs, cats, birds and small animals usually accounts for between 50% and 80% of both space allocations and sales.

Drug chains still have a preference for carrying and promoting canned cat and dog foods, especially Purina, Nine Lives, Carnation, Kal Kan and Alpo.

Discount store chains also promote the canned foods often, but they are also inclined to offer especially low prices on the 25-lb. bags of dry dog food as well as the 10-lb. bags of cat food and the large size bags of kitty litter.

Discount chains are also more aggressive in carrying foods and accessories for birds, small animals and rodents. Some also sell live birds and small animals, but in the drug store industry, only one chain

Photo by Ray Garland

Half of all American households now own one or more pets. Nonfood chains are courting that shopper by stressing price, convenience and assortment.

Growth in Pet Food Sales by Retail Outlet

Retail Outlets	1986 Est Sales (billions)	% change	1985 Est Sales (billions)
Food stores	$5.250	3.0%	$5.100
Pet Supply Stores	0.210	17.0	0.182
Warehouse Clubs	0.154	90.0	0.081
Mass Merchandise stores	0.095	10.0	0.086
Drug stores	0.056	11.0	0.051
Total	5.765	4.8	5.500

Source: Sami, Pet Supplies Marketing, Malcolm Knapp Inc.

Estimated Share of 1986 Dog & Cat Food Sales

Retail Outlet Market	Dog/Cat Food $ Sales (billions at retail)	% share of total
Food stores	$5.250	91.1%
Pet Supply Stores	0.210	3.6
Wholesale Clubs	0.154	2.7
Mass Merchandise stores	0.095	1.6
Drug stores	0.056	1.0
Total Pet Foods	5.765	100.0%

Source: FM estimates based on Sami, Pet Supplies Marketing and Malcolm Knapp Inc.

Photo by Ray Garland

There were 52 million pet cats in the nation in 1986, according to the Pet Foods Institute. Owners were out buying everything from food through cedar chip beds.

specializes in the sale of birds and small animals, and that chain, Perry Drug, leases rather than runs its live pet departments.

Buyers for drug chains say they tailor their ads and their planograms to the "convenience minded shopper who appreciates a value." The strategy is to buy the brand name foods on deal and then to advertise them at a super low price to undercut the food stores which have the largest share of pet food sales.

The discount store buyers try to be even more competitive on foods than the drug chains. However because their stores have more space for pet care items, their ads also feature the 25- and 50-lb. bags of dry dog food as well as the best selling brands of 10-lb. kitty litters.

One Wal-Mart manager says that pet foods give his chain an opportunity to "build a low price image" while simultaneously enhancing profits.

"We never promote pet foods at cost," he says. "Instead we try to buy our advertised specials from deal to deal, and although that strategy lets us be super competitive on price, it also lets us make a healthy profit on the category."

According to some sources, Wal-Mart usually makes at least a 10% margin on its featured pet foods, and can make as much as 25% on its private label dog food, Ol'Roy.

Primarily because of the increased emphasis on promoting and expanding pet care sections, drug and discount stores are getting more growth from the pet care category than the food stores, which currently do about 91% of total pet food sales in the country.

According to FM estimates based on research done by Malcolm Knapp Inc., in New York, sales of dog and cat foods in discount stores increased 10% last year to approximately $95 million.

To date, Malcolm Knapp is estimating that pet food sales in discount stores will go up another 8% this year to $103 million.

In drug stores, Knapp estimates that pet food sales increased about 11% in 1986 to $56 million, and should grow another 11% in 1987 to $62 million.

In contrast, SAMI estimates indicate that food stores only increased their pet food volume by about 3% in 1986 to $5.25 billion, and food stores are expected to generate about the same growth in 1987.

The most dramatic growth in pet food sales last year came from the high volume wholesale clubs that are starting to proliferate across the nation.

Malcolm Knapp is estimating that pet food sales in the $8 billion wholesale club industry increased about 90% in 1986 to $154 million.

In 1987, when this fast growth industry is projected to do close to $12 billion a year in sales, Knapp is estimating that pet food sales will increase another 55% to $239 million.

The everyday pet food department in wholesale clubs is already averaging over 80 to 90 ft. Canned foods are usually sold in case lots off pallet displays while 25- and 50-lb. bags of dried food are also merchandised off pallets or ends.

In suburban and rural markets, discount chains like Wal-Mart and K mart are also featuring 25- and 50-lb. bags of the leading brand dog foods as well as large size cat foods and kitty litters.

Buyers say that when they advertise a well-known brand like Carnation or Purina at a competitive price, they can usually sell through their ordered quantities in "less than two weeks."

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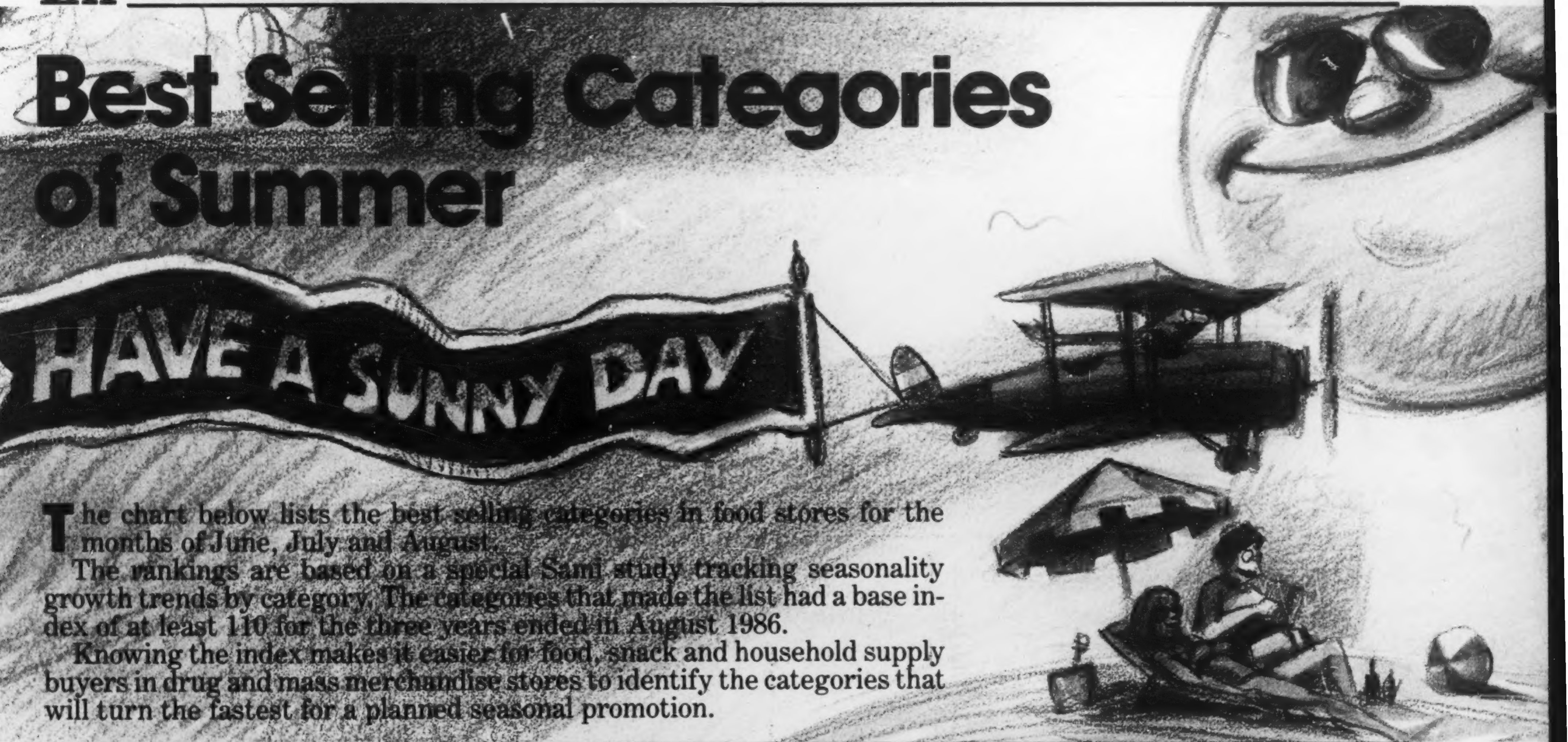
Best Selling Categories of Summer



The chart below lists the best selling categories in food stores for the months of June, July and August.

The rankings are based on a special Sami study tracking seasonality growth trends by category. The categories that made the list had a base index of at least 110 for the three years ended in August 1986.

Knowing the index makes it easier for food, snack and household supply buyers in drug and mass merchandise stores to identify the categories that will turn the fastest for a planned seasonal promotion.

FOODS AND GROCERIES: BEST SELLERS OF SUMMER

(Averaging three year index ranking)

June

Foods	Index ranking
Fruit pectin	250
Freezer bars	231
Barbecue sauce	155
Canned prepared salads	152
Relishes	145
Iced tea mix/liquids	142
Pork & beans	137
Instant tea	130
Soft drink mixes	126
Mustard	121
Reg. soft drinks	121
Lo-cal salad dressing	120
Juice/juice concentrate	120
Canned meat spreads	120
Canned sausage/frankfurters	120
Lemon/lime juices	123
Meat sauce	118
Pourable salad dressings	118
Chips/snacks	118
Nonfoods	
Insect repellents	235
Charcoal	198
Charcoal lighter	180
Car care products	136
Insecticides	136
Plastic flatware	132
Paper/plastic plates	124
Paper/plastic cups	118
Soil/stain removers	118
Mildew removers	114
Bleach	113
Window cleaners	112
Soap/bubble bath for children	112

July

Foods	Index ranking
Fruit pectin	276
Freezer bars	229
Vinegar/cooking wines	165
Iced tea mix/liquids	154
Barbecue sauce	147
Canned prepared salads	147
Relishes	142
Soft drink mixes	137
Pork & beans	135
Reg. soft drinks	132
Instant tea	128
Lemon/lime juices	123
Canned shrimp	121
Potato chips	121
Mustard	120
Spoonable salad dressings	119
Lo-cal soft drinks	119
Cocktail mixes	119
Meat sauce	118
Nonfoods	
Insect repellents	249
Charcoal	201
Charcoal lighter	183
Insecticides	138
Plastic flatware	136
Car care products	135
Paper/plastic plates	127
Soil/stain removers	124
Paper/plastic plates	123
Disinfectants	113
Bleach	113
Tampons	113
Moist towelettes	112

August

Foods	Index ranking
Freezer bars	186
Vinegar/cooking wines	176
Fruit pectin	170
Iced tea mix/liquids	141
Soft drink mixes	124
Reg. soft drinks	122
Bottled water	121
Lemon/lime juices	119
Instant tea	117
Baking powder/soda	116
Granulated sugar	116
Lo-cal soft drinks	115
Choc candy bars	112
Canned tuna	111
Packaged tea	111
Canned shrimp	110
Packaged gum	110
Cocktail mixes	110
Nonfoods	
Insect repellents	161
Charcoal	135
Insecticides	131
Soil/stain removers	125
Charcoal lighter	122
Food storage bags	122
Rug cleaners	116
Bleach	116
Upholstery cleaners	114
Car care products	113
Mildrew removers	112
Window cleaners	111
Soap/bubble bath for children	110

Source: SAMI Seasonality Report

Health craze hurts liquor sales

Spirit sales are down, wine and beer are up slightly, but cooler sales are exploding, creating new users and copy cat brands

Growth in the alcoholic beverage category has not been strong in the last few years. The interest most Americans now have in health, fitness and well being is turning most consumers away from alcoholic beverages to lighter and healthier drinks.

In the distilled spirits segment of the liquor category, total case shipments into the U.S. were down by 6.6% in 1986, according to IMPACT, the industry's leading research publication.

IMPACT reports that "each and every brown segment fell last year, with bourbon, scotch, and the smaller volume Irish whiskey segment posting double-digit declines of 10.4%, 11.3% and 23% respectively.

IMPACT tracked blended whiskey shipments down by 9.3% while the Canadian whiskeys were down by 4.9%.

White good shipments also fell, but not as drastically. IMPACT reports that white good shipments were down a total of 5.5% in 1986. Rum dropped the most dramatically, down 9.9% while gin was down 7.1% and vodka was down 3.5%.

Tequila dropped 2.6%. Brandy dropped 7.9% while cocktails/mixed drinks dropped 20%. Cordials and liqueurs were flat.

If cooler sales are included in the wine segment, than that category was slightly up in 1986. Beverage Industry, one of the industry's major trade publications, says that total wine sales were up 1.7% in 1987, and that coolers led the surge with a 57% increase in shipments.

However IMPACT treats coolers as a separate category, and without counting them as part of the wine category, IMPACT reports that wine shipments were down a total of 5.5% in 1986. Nineteen eighty-six wine sales were at the lowest volume since 1980, IMPACT says.

In contrast, IMPACT is reporting that case shipments of the coolers, which in IMPACT's definition include spirit and malt coolers as well as wine coolers, were up 71.2% in 1986, a "spectacular" increase in a declining market.

In white goods, imported vodka has been out-performing the liquor

Top 10 Domestic Brands of Beer

Brand	1986 Est total beer market share (Domestic brands)	Share point chng '86 vs '85	Category segment	Est share of domestic segment sales	Share point chg '86 vs '85
1. Budweiser	25.8%	0.7	Premium	57%	3
2. Miller Lite	10.3	—	Light	46	(3)
3. Miller High Life	5.6	1.1	Premium	12	(2)
4. Coors	4.3	0.4	Premium	9	1
5. Busch	4.1	0.6	Popular	21	3
6. Old Milwaukee	4.0	0.1	Popular	20	(1)
7. Coors Light	3.8	0.5	Light	17	1
8. Budweiser Light	3.5	0.5	Light	16	2
9. Michelob	2.9	(0.2)	Super Premium	66	—
10. Milwaukee's Best	2.6	1.3	Popular	13	3
Total Top 10 share	66.9%	1.3	—	—	—

Based on unrounded data. Additions of columns may not agree because of rounding.
Source: IMPACT Databank

Top 10 Imported Beer Brands

Brand	1986 Est share	Share Point chng (86-85)	Country of origin
1. Heineken	29.3%	(2.3)	Netherlands
2. Corona Extra	11.1	6.5	Mexico
3. Molson	10.7	(1.3)	Canada
4. Beck's	9.2	0.1	West Germany
5. Moosehead	4.7	(0.4)	Canada
6. Labatt's	4.5	0.1	Canada
7. St. Pauli Girl	3.5	(0.5)	West Germany
8. Amstel Light	2.7	0.5	Netherlands
9. Tecate	2.1	0.2	Mexico
10. Dos Equis	2.1	(0.1)	Mexico
Total Top 10 share	79.8	2.8	—

Source: IMPACT Databank

Trends in Beer Consumption

Segment	Millions of beer barrels 1986	Millions of beer barrels % chng	Share of total beer sales '86 Share	Share of total beer sales '85 Share
Premium	80.0	0.0%	43.00%	43.70%
Popular	44.7	0.0	24.00	24.40
Light	41.1	9.6%	22.10	20.50
Imports	8.8	11.6	4.70	4.30
Super Premiums	5.9	(21.3)	3.20	4.10
Malt Liquors	5.6	1.8	3.00	3.00
Other	0.7	0.0	0.03	0.03
Total	186.8	2.2%	100.00	100.00

Source: Beverage Industry & IMPACT Databank segment as a whole.

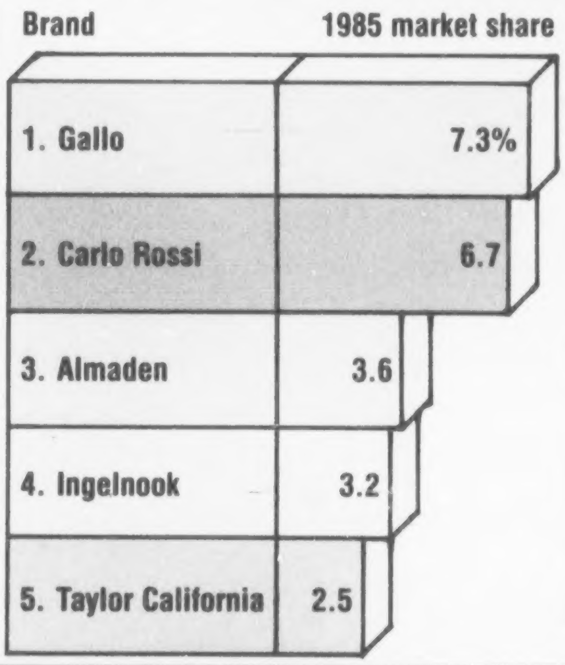
According to IMPACT's research, case shipments of imported vodkas increased 32.4% in 1986.

Absolut's sales were up 39.7%; Stolichnaya was up 31.4%; and Finlandia was up 18.8%. Imported vodkas now have a 6% share of the total vodka segment.

For the first time in three years, IMPACT also reports that the beer industry was up in 1986, by a modest 2.2% gain in barrels shipped.

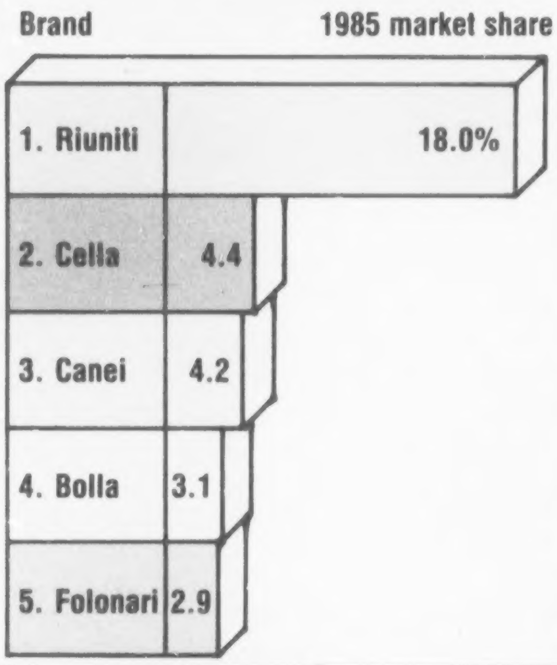
The growth in the beer segment, however, was coming entirely from light beers, up 9.6% in 1986 and imported, up 11.6%. The rest of the category was either flat or down.

Top 5 Brands of Domestic Wine



Source: Beverage Industry

Top 5 Brands of Imported Wine



Source: Beverage Industry

Trends in Spirit Consumption

Type of Spirits	% change in cases shipped 1986 vs 1985	Share of market 1980	1985	1986
Bourbon	(10.4%)	15.0%	11.5%	11.0%
Blends	(9.3)	9.0	7.0	6.8
Scotch	(11.3)	10.0	9.3	8.8
Canadian	(4.9)	12.0	11.8	12.0
Irish	(23.0)	—	0.2	0.2
Total Brown Whiskies	(8.8)	46.0	39.8	38.9
Gin	(7.1)	10.0	8.7	8.6
Vodka	(3.5)	22.0	22.7	23.4
Rum	(9.9)	7.0	8.3	8.0
Tequila	(2.6)	2.0	2.2	2.3
Total White Spirits	(5.5)	39.0	41.9	42.4
Brandy	(7.9)	4.0	5.2	5.2
Cordials/Liqueurs	—	8.0	11.3	12.1
Cocktails/Mixed Drinks	(20.0)	2.0	1.7	1.5
Total Specialties	(4.1)	15.0	18.3	18.8
Total Distilled Spirits	(6.6)	—	—	—

Regional preferences make Mexican beer "hot"

The drug and discount store buyers who are managing the alcoholic beverage category report tremendous success in 1986 and 1987 with several regional beers.

In the northeast, buyers say their sales of Molson Golden and Moosehead, both Canadian imports have been soaring. In the west and southwest, buyers say that the Corona Mexican beer is the hottest thing to come down the pike since the Jalapeno pepper.

Liquor buyers for drug and discount chains with stores in the west say that Corona beer sales are "escalating."

In some Texas markets, buyers say that regional sales of Corona have increased "more than 300%," and that Corona is starting to outsell Heineken, the country's number one imported beer.

"Corona is a Mexican beer which is why it sells so well in states like Texas and Louisiana," says one buyer. "In the northeast, Molson and Moosehead, which are Canadian beers do especially well.

"People today are traveling more," said one buyer, "and they're also going to more ethnic restaurants, Mexican, Chinese, Japanese, etc. They're being exposed to different types of imported beers in these surroundings, and then they discover they like them, and they seek them out in retail stores.

"There's also more of a status appeal in the imported beers. People who want to make an impression will order a Heineken or a Moosehead rather than a Budweiser or an Old Milwaukee."

Merchandising liquor means promoting coolers, low calorie drinks, sweet drinks

Drug and discount chains are expanding facings and ads for coolers, light and imported beers, and fruit flavored liqueurs

The recent trend among drug and discount chains that carry beer has been to expand facings and feature promotions for the fast growing imports and lighter beers.

Liquor buyers for drug and discount chains say their best sellers in beer this year are the Mexican beers like Corona, Dos Equis, Tecate, and Carta Blanca; the Canadian beers, especially Moosehead and Molson; the West German beers, Becks and St. Pauli Girl; and category leader, Heineken, from the Netherlands.

In domestic beers, the country's best seller was still Budweiser, which had a 25.8% share of the entire domestic beer market in 1986. Budweiser, even though it competes in the premium category of domestic beers which was flat in 1986, gained another 0.7 share points last year.

Miller Lite in 1986 continued to hold onto the No. 2 share spot among domestic beer, according to IMPACT, which also reports that Miller Lite had a one tenth of a point share gain in 1986.

In the wine category, most drug and discount store retailers responded to the growth in cooler sales by eliminating facings on their wine wall for table, dessert and sparkling wines, and turning it over to the top four and five brands in the cooler category.

More chains are also now promoting the coolers instead of liters or the popular California and Italian jug wines.

Most buyers say that coolers have caught on with Americans because they are lower in alcohol which appeals to consumers who want to moderate their drinking. They are blended with fruit drinks to attract the health conscious consumer, and they are portable and easy to serve, as well as sweeter than traditional wines.

The success of the wine coolers has also led to the emergence of several other new segments that buyers report are selling well. These are the fruit flavored wines like the natural peach and raspberry wines from Riunite; the rootbeer and ap-

BEER
SOLD BY:
6-PACK ONLY!
Coors
$3.29

Nonfood chains are tailoring their beer departments to the best selling segments: light beers, imports, best selling brands and regional favorites.

Top 10 Best Selling Liquor Brands

Brand	% chng thousands of 9 liter cases	1986 market share	Share point change 1986 vs 1985
1. Bacardi Rum	(6.9)	4.6%	(0.2)
2. Smirnoff Vodka	(0.6)	4.1	0.1
3. Seagrams 7 Crown	(9.0)	2.7	(0.2)
4. Canadian Mist	(5.5)	2.3	—
5. Popov Vodka	3.9	2.3	0.2
6. Jim Bean	(6.1)	2.2	(0.1)
7. Dekuyper Liqueurs	38.0	2.2	0.7
8. Jack Daniels Black	(3.8)	2.0	—
9. Seagrams Gin	(3.0)	1.8	—
10. Dewar's	—	1.6	0.1
Top 10 share	(1.4)	25.8	0.6

Based on unrounded data. Addition of columns may not agree because of rounding.
Source: IMPACT Databank

ple schnapps from Dekuyper, and the peach and piña colada schnapps from Leroux.

Most manufacturers also are now either testing or preparing to launch similar types of new products like the Christian Brothers low calorie fruit flavored brandies, the new Jim Beam Fletcher & Oakes spritz flavored prepared cocktail, the wine based fruit flavored Tropic Freezer prepared cocktails from Heublein, the new Jack Daniels fruit flavored mixed cocktails, etc.

"Peach flavored wines like Riunite appeal directly to the same consumer who supports the wine cooler category," says Stan Bevis who buys alcohol and other beverages for the 145 unit K & B chain in New Orleans.

Bevis, whose beverage department is profiled in this issue, says that Riunite Peach sales have been "excellent" in K & B stores this year.

Along with coolers, one of the few bright spots in a tough category.

In different parts of the country, other retailers also say they are building more floor displays and using more endcaps for the sweeter and fruitier drinks.

More chains are also expanding their merchandise mix to include strong selling regional favorites like Mexican beers in the south and western parts of the country and Canadian beers in the Northeast.

Many others are continuing to cross merchandise party goods, snack foods and assorted bar accessories in their liquor departments to encourage incremental sales.

A few, like K & B, Longs', etc., are dressing up their wine departments with artifacts like trellises and vines.

And many chains are also giving more ad and floor space to the best selling brands within the more traditional categories.

"If I'm going to promote vodka," says one buyer for a West Coast chain, "I'll promote the most popular brand like Absolut and Stolichnaya.

"If I'm promoting tequilla, it'll be Jose Cuervo or maybe Sauza."

At K & B, Bevis says he'll use a best selling brand like Jack Daniels to make consumers aware that K & B has the top brands at the best prices.

"When a category is flat, the best thing you can do," says one buyer, "is identify the top sellers, and promote the hell out of them."

EVERYDAY LOW PRICE
CARLO ROSSI
3.99
Carlo Rossi VIN ROSE
$3.79
EVERYDAY LOW PRICE
4.69

The best way to attract the liquor shopper: feature the best selling brands at a super hot price and make the department "highly visible."

Trends in Wine Consumption

Segment	Millions of 9 liter cases 1986	% chng	'86 share of total wine sales	Share point chng 86-85
Table Wines	147.1	(7.4%)	75.1%	(1.7)
Sparkling Wines	18.7	(4.5)	9.5	0.2
Dessert Wines	14.7	3.2	7.5	0.6
+ Special Natural	10.9	1.9	5.6	0.4
Vermouth	2.7	(6.9)	1.4	—
+ + Imported Specialty Wines	1.8	104.7	0.9	0.5
Total	195.9	(5.5)	—	—

+ Wines like Thunderbird, Boone's Farm
+ + Imported sangria and other fruit flavored wines
Unrounded data. Additions of columns may not add up because of rounding
Source: IMPACT

Top 10 Best Selling Cooler Brands
(wine, malt and spirit coolers)

Brand	1986 % chng 9 liter cases	Type of cooler	Est 1986 market	Share point chng '86-'85
1. Bartles & Jaymes	126.7%	wine	23.5%	5.7
2. California Cooler	11.2	wine	16.4	(9.0)
3. Sun Country	100.0	wine	13.8	1.9
4. Seagram's Wine Coolers	132.5	wine	12.8	3.3
5. White Mountain Cooler	112.5	malt	9.4	1.8
6. Calvin Coolers	103.6	wine/malt	7.9	1.2
7. 20/20 Wine Cooler	—	wine	2.2	(1.6)
8. Dewey Stevens	+	wine	2.1	—
9. La Croix Sparkling Cooler	23.5	malt	1.4	(0.5)
10. Champagne Coolers	+	malt	1.3	—
Top 10 Share of market	84.6	—	90.8	6.2
Total Coolers	72.0	—	100.0%	—

+ In first year of distribution
Source: IMPACT Databank